Life Insurance Contest Opens (See p. 14)

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The Nation's Business

We Blaze New Trail In Economic Control

With little preparatory fanfare Canada this week steps directly into a strait jacket of complete wage and price control. What the ultimate results will be, no one can foresee.

Last week, the government brushed aside more conservative counsel which urged "selective" controls over a score or more of key commodities. It has taken the advice of those who believe that "selective" control leads eventually to "overall" control, but that the former is inherently dangerous since it means inevitable delay.

The new controls are not to be taken as a substitute for war saving or for increased war taxation, although to the extent they reduce the cost of munitions and war supplies they will mean that much relief for taxpayers. What they aim to accomplish, primarily, is to check the present unbridled competition on the part of war and non-war products for a decreasing supply of man power and raw materials.

There will still be vast and increasing purchasing power in the hands of consumers. Accelerated war saving and taxation will still be required to channel this buying power as effectively as possible away from civilian consumption. It is argued however, that the time has come when fiscal policies become of relatively minor importance in terms of inflationary control, as compared with stringent limits on prices and wages such as are envisaged in the forthcoming "ceiling."

The two major dangers in respect of the new controls are:

1. The complexity and incalculable extent of control and administrative machinery which must be set up and made effective under democratic auspices.

2. The danger that this country may find herself facing economic isolation, especially in regard to the United States.

As to the first point, much will depend on the temper and nature of the administrative machinery which is now being created at Ottawa and on the type of men who will administer the new control boards. So far, it must be admitted, there has been little criticism on that score.

The second point, which really embraces the entire international trading position of a country, normally the fourth largest trading nation in the world, has equally grave implications.

Can Canada effectively disassociate herself economically from the rest of the world by putting a complete ceiling over all wages and prices, at a time when these prices, in the markets where we buy and sell so extensively, are rising almost daily?

The United Kingdom, it is argued, is rapidly approaching similar control policies to our own. In some respects a different set of circumstances—namely acute shortages, of almost every type of consumer goods—has necessitated action more drastic than Canada now contemplates. There would probably be little conflict in this case. With one important exception our trade with other countries has shrunk so considerably as to make the new policies of lesser consequence.

It is of our relationship with the United States, the important exception, that is obviously of most concern. Effective control policies mean inevitably subsidized imports and an embargo on exports. The extent of these controls will depend largely on the extent to which the U. S. permits a runaway wage-price inflationary spiral.

Canada, it is argued, cannot afford to wait until the U. S. decides on drastic and complete control measures of its own. This country, engaged for two years now in a "shooting war" must take the lead. Furthermore, our example, it is believed, will have a considerable influence on American opinion.

A wage-price strait jacket is of course but a means of achieving maximum production for the war effort. This is the yardstick by which the new measure must be judged, rather than by the amount of hardship and dislocation which will be caused to private business. There has long ceased to be much if any "profit" in business transactions under war conditions. There can be no resentment at imposing similar restrictions on wage-earners and others who may seem temporarily to gain some advantage by a rising wage-price spiral.

The test of the new measures will be the extent to which they level out the inherent inflationary dangers without disrupting the war effort.

* * *

C. I. O. MINES DRIVE HITS SNAG

C.I.O.'s attempted invasion of the Kirkland Lake mining field is not turning out to be any blitzkrieg. Its imported leader detained for illegal entry into Canada, its chief weapon spiked by the government's stand against wartime wage increases, the movement seems to be petering out as it deserves.

After all what has the C.I.O. to offer the Canadian hard rock miner that he does not already possess? What possible alternative can it dangle before these Canadians of the North. They are already among the highest paid labor in Canada. Their conditions of work are above average. Their standard of living ranks with the highest in the country.

These are solid assets which the practical gold miner of Kirkland Lake is not going to risk lightly. He got them without the help of any foreign organizer, without the payment of fat monthly dues that go to swell the coffers and pay the enormous salaries of union officials outside the Dominion.

* * *

TAKE HYPOCRISY OUT OF WAR CHARITIES

Scores of war charity projects throughout the country, now getting into the stride of their winter's work, are beginning to feel the pressure of regulation number 15. This limits expenses to 25% of receipts. It was put into effect last August when it was revealed that hundreds of organizations registered under the War Charities Act were netting only a small proportion of gross receipts for war purposes.

A series of concerts running from October, 1940, to April, 1941, collected from patrons $2,665 but reported net proceeds of only $770 or about 29 cents on the dollar. A light opera with receipts of $1,913 turned over only $135 to the war charity it was sponsoring. A group holding four dances, advertised as war charities, took in $301, and netted only $9. Scores of bridge parties, held ostensibly to supply comforts for the fighting forces barely raised anything beyond expenses. Camouflaging this sort of thing under the label of war charities is nonsense and the authorities are to be commended for attempting to stop it.

Would any real harm be done if scores of these social events, operating under the guise of war charity were eliminated altogether? Wouldn't everyone be better off in terms of an all-out war effort if time, money and "man power" were diverted to other and more profitable undertakings?

We are not opposing legitimate entertainment, private or public. Both are needed and more than ever during the present strain. But we need not maintain the hypocrisy of pretending this entertainment is for the benefit of somebody else.

Next spring, Canadians will be asked for a sum estimated at between $17 and $20 millions to finance the united war services drive which this year will include the Red Cross. This money is collected from the public at an average cost of not more than 5%. Ideally, any money raised apart from this big annual drive should be collected on an out-and-out, hundred-cents-on-the-dollar basis; on the distinct understanding that every cent that is collected goes directly into war work.

Canada's Munition Flow Now Vast

Canadian munition plants last week turned out the ten millionth cartridge case since the outbreak of war. As additional plants come into operation to fill shells, fuses and cartridge cases with explosives, detonators and propellants, a vast supply of complete rounds of ammunition will be shipped to Britain. In the last war, most Canadian shells went overseas empty, and were filled there.

This photo shows a young worker in a Canadian munitions plant inspecting a cartridge or charge case, which holds the propellant to drive the shell. These cartridge cases are being made in Canada for anti-aircraft, anti-tank, field, and naval guns.

Sees War Hurting Maritimes

Position in Confederation Weakened, Study Finds

Deterioration in the position and influence of the Maritimes within the post-war Canadian federation is the conclusion of a study on the effects of what war business has come to this area, prepared for the Dalhousie University, Halifax, Bulletin on Public Affairs.

In this bulletin, B. S. Keirstead has analyzed war contracts placed in the Maritimes to Dec. 31, 1940. He has classified them according to city or town affected, according to type of work to be done and has included careful study of the results of influx of population—both military and non-military—to the Maritime area.

He has compared the share which the Maritimes have received with that going to other economic and political sections of Canada.

His conclusions are:

"Dominion Government war spending has not in total magnitude been of itself a stimulus of important dimensions to the Maritime economy as a whole. Taken in consideration with other stimuli, it has of course played its part in making up the full primary impulse which has affected our economy.

"But its part has been a rather specialized one. It has been concentrated in the towns and particularly in Halifax, New Glasgow and Saint John.

"Its chief effect has been on construction,

"It has provided some minor stimulus to certain manufacturing industries but on the whole this has not been important.

"Compared with the rest of Canada, the Maritimes have received less per capita and less per $1,000 invested in manufacturing industry, far less, than the rest of the Dominion.

"The highly significant figures for capital assistance to industry show that the Maritimes have received a negligible amount, less per capita than any other region or province, except British Columbia.

"Moreover what capital assistance there has been is concentrated in one locality and will presumably have only temporary value. These facts imply a further deterioration in the position and influence of the Maritimes within the post war Canadian federation."

Not Entirely Conclusive

It is made clear in the memorandum that the conclusions are based only on orders placed for Canadian government account to the end of 1940. It is admitted that later orders, when studied in the same way, might cause the views to be modified. The figures tabulated also do not give the total stimulus on the Maritime economy from war spending. They

(Continued on page 2, col. 5)

Sweeping Control of Wages And Prices Being Adopted

Dominion to Impose Sweeping Regulations Over Many Phases of Canadian Life to Speed War Effort, and to Put the Brakes On Serious Inflation

By KENNETH R. WILSON

OTTAWA.—A complete "overall" ceiling on wages and prices in every essential service and commodity will be announced here this week.

The new price and cost control measures are the most drastic ever to be introduced by any democratic country.

They give a lead which, it is hoped, will ultimately be followed by the United States, but which may meanwhile have far-reaching impact on Canada's international trade relations.

The decision for "all out" control was made at the momentous cabinet meetings of last Thursday and Friday. It is action which is deemed essential for an "all out" war effort.

By means of it, it is hoped to avoid what one high-ranking official describes as "the insane, unbridled competition for labor" which, if unchecked "will make the inflation catastrophe of 1916-18 look like a kid's party."

The choice for "overall" as compared with "selective" price control has been made deliberately and decisively. There has been no minimizing the dangers and difficulties of regimenting the entire price front.

Every argument pro and con has been thoroughly canvassed by the government and its advisers. The final decision of the full cabinet was made after every possible alternative was considered and rejected.

The new controls will not be introduced simultaneously although they will be announced at the same time by ministerial heads of finance and labor.

It is probable the wage control will become effective November 1 and price control effective Nov. 15 or Dec. 1.

On the latter date, licensing of some 200,000 manufacturers and distributors of foodstuffs, clothing and other essential services becomes effective.

The base period to which the freezing order will be retroactive has already passed. It will probably be some period just prior to October 1 or thereabouts.

The argument put forward by government advisers and which has overridden more cautious approaches is this:

"If Canada does not put immediate and effective controls on the wage-price spiral she is 'sunk.'"

Selective controls over a limited range of "essential" services and commodities end up sooner or later in "overall" control. But there is difference: delay in choosing the "essential" services plus those which compete with services vital to the war effort (and which also must be controlled) may be disastrous. It is better from the point of view of an "all out" war effort to move in on every item and take time weeding out purely "non-essentials."

There is an important psychological effect in marshalling every service and commodity for "all out" economic warfare. Once the shock of this cataclysmic step has been taken, Canadians of every group and occupation will feel they are really enlisted "for the duration." There will be a sense of economic conscription which it is hoped will unite every business and consumer in a more determined and effective effort.

Complete Wage Ceiling

As far as wage-earners are concerned, it is argued that the unbridled auctioning of services can only lead to chaos and to eventual runaway competition between war and non-war industry. This can only be checked by a complete ceiling over all wages and some curb on the mobility of labor. It is deemed a natural and essential corollary to earlier attempts at wage stabilization under P.C. 7440.

If labor co-operates in such control, then it must be protected by complete assurance that there will be no further increases in living costs. This leads to complete price control over commodities and services.

It is not intended to control supply of other than war-vital war materials unless such control is necessary to prevent leakage to United

(Continued on page 2, col. 2)

Loblaw Incorp. Sales Up 40%

Earnings Mount For First Half — Open Largest Store

In the first half of the current fiscal year which began March 2, 1941, Loblaw Groceterias, Inc. experienced a gain in sales of 40% over the corresponding period last year. The same number of stores are in operation this year as last, and the stores opened in the Syracuse division are operating successfully.

Despite greatly increased taxes, profits show a substantial increase over the same period last year. Within the limits of defense industry priorities, the policy of modernizing and improving existing store facilities has been continued and some new locations are being considered.

A new unit was recently inaugurated at Rochester, the largest opened to date. The new store occupies 8,500 square feet of floor space, has a parking lot adjoining the rear with space for 200 cars and checking desks at the rear of the store leads directly to the parking lot.

Loblaw Inc. was founded in 1924. Dividends were inaugurated April, 1937, when $7 was paid on the preferred stock. November of the same year $1.75 was paid. In February, 1939, $1.75 was paid. The company was reorganized and dividends of 20c. quarterly per share were paid regularly from June 1, 1939, to September 1, 1941. Reflecting the improved position of operations and earnings the next payment due Dec. 1, 1941, will be 25 cents per share U. S. funds.

A large addition has recently been completed to the main warehouse at Buffalo, N.Y. The company also operates a warehouse at Syracuse.

Massey Common Gets Committee

Announcement of the members of a protective committee for common shareholders of Massey-Harris Co. will be delayed a few days, according to Avern Pardoe, Toronto. Mr. Pardoe admits that he has been asked to become a member of the committee and that he will probably accept. Negotiations are said to be still under way with other prospective members of the committee.

There is every prospect that shareholders will be circularized by the committee when it is completed and has shareholder lists ready. Mr. Pardoe is outspoken in his criticism of the plan for settling arrears of preferred dividends now before shareholders, holding that common shareholders are being asked to make quite unnecessary sacrifices. The plan has apparently received the support of the preferred shareholders.

Time Payment Controls Get Business Support

A poll of business concerned with the new restrictions on installment selling produced the following general conclusions from opinions expressed to The Financial Post:

ON AUTOMOBILES—Effect less than on most items of household equipment.

ON FURNITURE, STOVES, ETC.—Opinion admits sales will be reduced, how seriously is a matter of considerable speculation.

CHARGE ACCOUNTS—Little affected provided monthly payments are made promptly.

ON CLOTHING—Belief is considerable restrictions in moderate and lower-price quality will result.

Retail sales affected by the curb are placed well over the $300 millions mark.

Had no such curb been extended it is probable the volume of installment purchases of the type affected by the order would have soared as high as $350 millions.

A. O. Heather, in charge of Canadian operations for General Motors Acceptance Corporation for over 15 years, and recently an official of the Foreign Exchange Control Board will be named chief of the installment credit division of the Wartime Prices and Trade Board, it is learned.

Hard hit by the new regulations governing installment purchases will be many of the articles in common household use.

Automobiles are probably the first example that the average person thinks of, but it appears that passenger automobiles, although specifically mentioned in the regulations, escape relatively more easily than do such articles of household equipment as stoves, gas and electric appliances, refrigerators, furniture and similar goods.

The practice has been, for example, to extend credit up to 36 months on purchases of large items, such as electric refrigerators and other electric and gas appliances. Down payment might not be more than 10 to 15% of the cost; in some cases furniture would be delivered on payment of only the first of the 12 or more monthly payments that were to follow.

Now at least 33 1/3% must be paid in cash at time of purchase and the balance may be spread over not more than 12 months. Payments must be approximately equal and renewals or extensions are forbidden except on production of an affidavit of necessity. With the exception of automobiles, the down payment must be at least $10 and the minimum monthly payment is set at $5.

50% on Automobiles

For passenger automobiles the minimum down payment is 50% of the purchase price. On cars costing less than $500, the balance must be paid in 12 months. On cars costing over $500, a maximum of 18 months is allowed to complete payment.

One inequality of sacrifice is alleged by Sydney Levitt, president of Woodhouse & Co., Adams Furniture Ltd. and Legaré Ltée. Mr. Levitt states.

"A certain amount of injustice will be felt by some who will reason that a man with money can still buy what he wants while the man without enough money for that initial deposit cannot buy the same goods."

Volume of installment sales for the first seven months of 1941 was

(Continued on page 4, col. 3)

The War And Business . . A Weekly Round-up

"Bits and Pieces"

In connection with the "Bits and Pieces" programme of the Department of Munitions and Supply, three local offices have been opened at Montreal, Toronto and Winnipeg. Two more are to be opened shortly, one in the Maritimes and the other in Vancouver.

Objective of the B. and P. programme is to make use of small independent plants throughout Canada which might not be in a position to handle complete war contracts but which have some spare time, equipment and man power available. Personnel of the local offices will make special surveys of the smaller plants in the community and advise the Department regarding suitable shops and plants for subcontracting. As the smaller plants get into production the staff of these local branches will provide a liaison between the plants and the large contractors and the department at Ottawa. The branches themselves will not let contracts.

* * *

Where is Butter Shortage?

Early last winter there were frequent predictions of a serious butter shortage looming. The crisis was supposed to be coming to a head in the spring, but beyond a moderate price rise little more was heard of it.

More sober investigation revealed the fact, that western Canada, having built up its dairy herds again, following the five year drought, would soon be able to take care of any reasonable increase in butter consumption. Recent reports from Saskatchewan certainly bear out that contention. In September, Saskatchewan butter output was up over 30% above the same month a year ago and for the first nine months the gain is 28.9% or slightly over 8 million pounds. Incidentally the shortage predicted last winter was 10 million pounds.

Small Boat Programme

Further substantial expansion of Canada's small boat construction programme is reported by the Department of Munitions and Supply. New orders, placed in recent weeks for a variety of craft, including eight more 112-foot motor vessels, have increased capital expenditures on the programme to more than $9 millions it is announced.

In addition to this work, being carried out by some 58 smaller shipyards the Department of Munitions and Supply reports the purchase of more than 30 yachts and motor boats, and the charter of over 50 similar craft.

The small boat programme is now approximately 50% complete, the figure having dropped from 56% recently reported as a result of the expansion from the original plans.

* * *

Walking Arsenals

German motion pictures of the war against Russia show their infantrymen as walking arsenals. Individual equipment includes submachine guns, hand grenades, a rifle, cross shoulder straps for big load of ammunition, plus two pistols. Soldiers standing near the camera, apparently carried all this.

Such weapons would give single individuals heavy firing power but would certainly tire them out in any country where they had to operate at any distance from troop-carrying motor trucks. Too many weapons per man, just like too much armor in ancient days, may prove more of a liability than an asset.

* * *

One Sixth for Meat

In feeding Canada's fighting forces, meat has been found the biggest single item of expense just as it is in the average family budget. In a breakdown of $30 millions of foodstuffs bought by the Department of Munitions and Supply for the first two years of the war, meat totalled $5.5 millions or over one sixth. No other item even closely approached this but three, butter, vegetables and beverages (tea, coffee and cocoa,) tied closely for second place.

Details for the leading items are as follows:

Commodities	Value $
Meats	5,500,000
Butter	1,700,000
Vegetables	1,600,000
Tea, coffee and cocoa	$1,400,000
Milk (fresh	900,000
Milk (canned)	900,000
Eggs	700,000
Cheese	500,000
Potatoes	500,000
Flour	200,000

* * *

Wasting Steel?

We are much too extravagant in using steel contends Charles P. Disney, Canadian National Railways bridge engineer. Mr. Disney is recently quoted by the New York Times as stating that steel producing capacity on this continent can be doubled almost overnight without building a single new plant. He would simply make structural steel do more work.

At present, states Mr. Disney, steel is stressed up to only 18,000 pounds to the square inch although it is capable of standing up under 35,000 pounds. Stresses of the latter proportion, he says, are common now. Thousands of existing railway bridges were built at a time when locomotives were lighter. These same bridges are now stressed up to 30,000 pounds and more. It was recommended that these bridges be left in service until their stresses exceed 8/10ths of the yield point. If the steel has a yield point of 35,000 pounds—and most rolled steels today have—a unit stress of at least 28,000 pounds is permissible. German engineers, states Mr. Disney, are working their steel almost to the limit of strength and he sees no reason why we should not do likewise.

* * *

Japanese Help?

Japan continues to flirt with the idea of a stab in the back at Russia but for some months, it is understood, secret negotiations have been going on regarding a definite break with Germany and an agreement with the democracies. Chief stumbling block seems to be to get Japan out of China without loss of face and with some guarantee regarding special trading rights in that country after the peace.

If something could be worked out it would help the democracies materially by permitting them to cut their fighting establishments in the far East and transfer this extra strength to the front against Germany but Japanese war industry might also be made useful. Whaley-Eaton of Washington recently reported that one of the proposals in the current talks is that the anti-Axis powers should buy heavy war goods from Japan. In the last year, it was recalled, Japan sold ships to the United States and was prepared to build large quantities of war equipment for the Allies.

* * *

Milestones

Wilfred B. Gordon of the Canadian National Railways, Montreal, has been appointed Director-General of the newly created Scrap Disposal Branch of the Department of Munitions and Supply. . . . Defense Minister Ralston arrived in Britain for the second time since the outbreak of war. . . .Wartime Prices and Trade Board announces new restrictions on installment buying. . . , War orders awarded by the Department of Munitions and Supply for the week ended September 30 numbered 2,086 and totalled $38.2 millions, previous week total $7.5 millions.

Hat News FROM **EATON'S**

For Distinctive Appearance!

'Lord Biltmore' FUR FELTS

At EATON'S we are well stocked with 'Lord Biltmore' for Fall and Winter wear! In these hats the quality of the material is particularly fine ... it's a mixture of rabbit hair and BEAVER FUR ... designed to wear better and retain its good looks for a longer time! And the workmanship and style are in keeping with the quality. In grey, green, brown and blue. Sizes 6¾ to 7½. Each

7.50

Main Store Main Floor

T. EATON Co LIMITED TORONTO CANADA

Get Price and Wage Controls

Canada Plans Full Economic Mobilization

(Continued from page 1)

States or prevent importation at prices which would upset the Canadian "ceiling." Eventually, Canada's wartime price and supply mechanism may have to be fused into one vast control organization. But such is not intended at the present time.

Dangers Recognized

Dangers of the "overall" control plan are:

(1) The tremendous shock to the economic system and the fear that so many adjustments may have to be made in order to keep business moving as to obviate the effectiveness of the wage-price ceiling.

(2) The fact that Canada may for all practical purposes have to disassociate herself from the U. S. economy—especially if there is a sharp inflationary rise in prices in that country in the next few months, or before effective control measures can be introduced there.

There has been some levelling off in prices in both countries in recent weeks which suggests that there may be a short breathing spell. If this materializes it may give the new Canadian controls a chance to get into action without too much dislocation of international trade.

Import and export control boards will be set up to handle all incoming materials and supplies which may require subsidy in order to maintain domestic price levels, or which will require an embargo to avoid creating a vacuum of finished goods.

A special device will probably be introduced to make adjustment where manufacturers and distributors are burdened with raw materials at unfair prices—that is prices which will appear unfair in light of the "ceiling" price.

The new control measures will not obviate the need for increased war saving and for higher taxes. While it is hoped that the wage-price ceiling will curb competitive bidding among producers for goods and services needed in the war effort it may not materially limit the total and increased purchasing power in the hands of consumers.

This purchasing power will continue to bid actively for labor and materials which will become increasingly scarce. Accordingly further measures to increase war savings and eventually increased taxation must be contemplated. Hon. J. L. Ilsley has been actively campaigning for increased war saving in all parts of Canada within the past month.

Ease Financing Problem

The problem of financing Canadian and United Kingdom war purchases in Canada will be eased to the extent that prices of war goods and munitions are reduced or maintained at present levels. Lacking such controls it is argued that the cost of producing tanks, motor transport, guns, shells, clothing and other war materials might conceivably rise 20 or 30% in the next year—most of which would be added to the cost of war finance. If the new controls are effective in curbing this increase the amount of money needed to finance our own and British purchases will be reduced accordingly.

In respect of farm prices it seems certain that some machinery will be set up to ease the rigidity of complete price control on those commodities and products which are still "depressed" relative to wage and other price levels generally.

Sees War Hurting Maritime Provinces

(Continued from page 1)

neglect, for example, the important indirect stimulus felt by many industries.

The author completely dissociates his argument from any attempt "to prove a case."

"It is certainly true that our statistical data point clearly to a concentration in the central provinces and British Columbia and show that the Maritimes have received less than their proportionate share of government spending. But the only important consideration is the distribution of the war orders so as to achieve the greatest possible efficiency in the development of war industry.

"Whether or not this has been done we are in no position to say, but there is certainly no evidence in the data which we are now presenting to indicate inefficiency or injustice in the distribution of war orders."

Construction Big Item

Of total spending of $31.5 millions to the end of 1940, the amount spent for construction in the Maritimes made up 60% of the total. This moreover has been concentrated in a few centres. Of the $21 millions spent for construction in the Maritimes, $15 millions went to Halifax, Saint John and New Glasgow and another $1 million to Summerside, P.E.I.

In New Brunswick as a whole in 1940, war spending on construction was less than public spending on construction during previous peacetime years. In Nova Scotia war spending on construction constituted a marked increase over normal peacetime spending for this purpose. Yet, it is stated, there is no evidence that general business activity has been more stimulated in Nova Scotia than in New Brunswick.

Little Permanent Value

* Much of the war spending in the Maritimes has been for barracks, military camps and temporary accommodation. While necessary for war, such construction "adds in no way to the capital equipment of the Maritimes, and is not to be compared in permanent value to the spending on roads."

On the other hand capital assistance to industry adds new capital equipment to the provinces' manufacturing industries.

"But this has been almost entirely restricted to a single industry in a single town. True the town (New Glasgow) which has benefitted has been a depressed area and the spending there has been in incalculable value to the town and the surrounding area. But this region in Pictou county has been a depressed area because of its dependence on a single industry. The $8 millions which have been spent there to increase and improve the capital equipment of that single industry is going into munitions works which will presumably have little value after the war. It is therefore doubtful how far even this type of spending is going to be of permanent value."

Indirect Stimuli

When compared with total manufacturing production of the Maritimes, manufacturing orders placed to the end of 1940 amounted to only 2.17%. At the same time the steel industry's output rose 45% in value and that of the pulp and paper industry 17 to 20% which "indicates that indirect war stimuli have been very much more important to Maritime manufacturing than war orders."

Dominion government war spending in the Maritimes has been highly concentrated both by industries and by towns. About 40% of total Munitions and Supply Department contracts placed in the Maritimes went to Halifax, about 28% to Saint John about 8% to Moncton and 6% to Truro. More than four fifths of total orders placed went to these four towns. The eight towns which received the largest orders took 91% of the total, leaving the other 9% to be spread among all the other towns and villages of the three provinces.

For capital assistance, 90% went to New Glasgow and most of the rest to Halifax.

Unhealthy Local Booms

The result has been in Halifax there are "all the evidences of an unhealthy local boom." Resident population has increased from 70,000 to 95,000 (including Dartmouth) to which can be added probably an average of 10,000 service men always in Halifax. This alone would have accounted for an increase of something like 50% in total civic income. Add to this the average increase in per capita income over the provinces of 35% and it is concluded that total civic income in Halifax must be up 86%.

In Saint John similar evidences of an intense wartime boom are noted, although not to quite such an extent as in Halifax.

The case at New Glasgow is somewhat different. The town's capital equipment has been about doubled by the $8 millions capital assistance grant given to Dominion Steel & Coal Corp. This is of very great importance to the town itself and has a profound indirect effect on the other steel making operations of the company in the province.

Permanent Help Doubtful

"As to its permanent effects one can only express doubts. With the experience of the New Glasgow area after the last war in mind, one may be permitted to wonder if this new plant can continue in munitions manufacture in peacetime or if it can be adapted to peacetime secondary steel manufacture sufficiently economically to compete in the Canadian or foreign markets. The town may well experience a repetition of 1920, a profound depression following a wartime boom, and this will have repercussions on all the operations of Dominion Steel throughout the province."

The memorandum discusses the impact of the war on several communities, both those which have received direct war stimulus and those which have not. The conclusion of this section of the memorandum is that:

"Dominion war orders have been highly concentrated both as to industry and district and they have not provided a stimulus (and in many cases have not even offset detrimental effects) to important industries and large areas within the Maritime provinces."

In National Economy

"On a per capita basis, Munitions and Supply contracts to the end of 1940 amounted to $63 per person for Canada as a whole but only to $19 for the Maritimes.

"On the basis of each $1,000 invested in industry the figures are $205 for the Dominion as a whole and $112 for the Maritimes."

It is pointed out that "there is bound to be an expansion of manu-manufacturing centres of the Dominion far in excess of anything which will take place in the Maritime provinces."

"Government grants to industry for capital equipment have gone 42% to Ontario and 41% to Quebec. The Prairies got 10% and British Columbia 4%. The remaining 3% went to the Maritimes of which Nova Scotia got 2.75%, leaving New Brunswick and Prince Edward Island practically neglected."

May be Justified

"In terms of war economy," it is stated, "this distribution may be, indeed probably is, justified. As to that we cannot, on the strength of our present data, positively say."

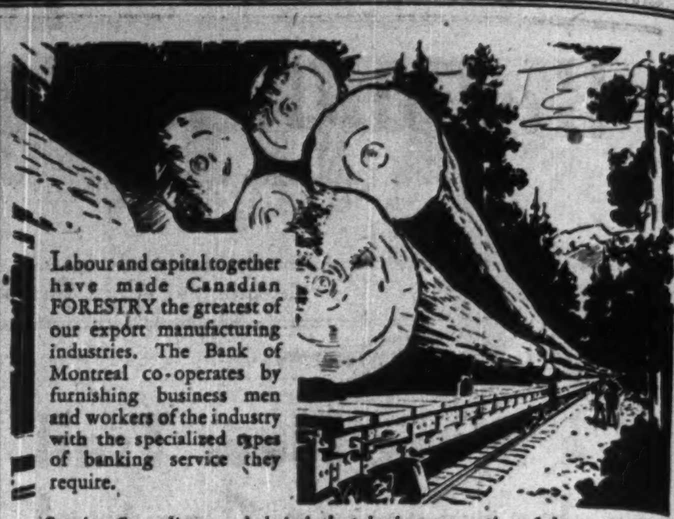
Central Provinces Favored

"In any case, Dominion policy means that this war is seeing a great industrialization of Canada and that this industrialization is being concentrated in the provinces of Quebec and Ontario, with the consequence of greatly increasing their economic power and consequently their political influence within the confederation.

"It also means that Canada's external trade policy will be affected. The central provinces will not only wish to have protection against manufactured imports. They will be looking for markets for their exportable surpluses of manufactured goods and if, as one may expect, Canada becomes a creditor rather that a debtor nation, the problems of marketing agricultural produce abroad and the problem of selecting the type of import in which we will permit our debtors to make payment will become exceedingly difficult and will breed conflict between the different economic regions."

It is suggested that the Dominion government has foreseen this problem and taken steps in some cases to offset them. The Prairies have received the greatest proportionate increase to their capital equipment.

"This has been done, our figures suggest, at the expense of the already industrialized province of British Columbia rather than Ontario and Quebec. But it does offer the Prairies a slight improvement in the balance of their economy and some little safeguard against the possibility of restricted agricultural markets after the war. The degree of industrialization in the Maritimes remains very small. Already less industrialized than British Columbia, their industrialization has been increased but little, and in actual fact what capital assistance to industry there has been has been concentrated in a single community and a single industry with little postwar possibilities. This does rather suggest a further decline after the war in the relative economic position of the Maritimes, with respect to the rest of Canada, and consequently in their influence in the councils of the nation."



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A121

Carpet Firms In Merger

Harding Carpets, Ltd. of Brantford has acquired a controlling interest in the shares of the Guelph Carpet and Worsted Spinning Mills, The Financial Post is informed.

The new arrangement will not result in any change in operations.

Each company will continue to operate as at present, but under unified management. Carpet production of both factories will be correlated. The spinning business of the Guelph firm will continue as before. There will be no change in management except the addition of new directors to the Guelph Carpet board. The two companies will maintain separate factories and selling organizations operating under unified management.

The new Guelph Carpet directorate will be:

H. Quarmby, president; A. E. Cuthbertson, vice-president; Rolph R. Corson, C. Gordon Cockshutt and John S. Dickson.

Mr. Cuthbertson is president of Harding Carpets, Ltd. Mr. Dickson and Mr. Cockshutt are both members of the Harding board.

B. F. Griggs, of Guelph, will continue as secretary-treasurer of Guelph Carpet.

The controlling interest in Guelph Carpet which has now been acquired by Harding Carpets was obtained by Hanson Bros. Inc., of Montreal, in 1929. Subsequently, preferred shares in the company (which have now been redeemed) were offered to the public.

The two companies are complementary in production as far as most lines are concerned. Increased purchasing power on top of a depression backlog of demand has taxed facilities of the Harding Company to capacity for some time.

Alberta Liquor Sales Climbing

EDMONTON. — Alberta liquor control board produced a net operating surplus of $3,137,515 in the 1940-41 fiscal year ended March 31, to reach the highest figure in the board's 17 years of operation.

Gross sales for the period totalled $10,753,378. Expenses included $7,258,967 for liquor and $579,893 operating costs. The profits in 1939-40 totalled $2,875,043.

Donaldson President Montreal Trust Co.

F. G. Donaldson has been elected president of the Montreal Trust Co. He succeeds the late Sir Herbert Holt, and has been vice-president and general manager. Gordon W. MacDougall, K.C., has been elected a vice-president and W. F. Angus appointed a member of the executive committee.

Canada Northern Operations Up

Gradual Expansion in Mine Output Adds to Power Load

From Our Own Correspondent

MONTREAL.—Many of the mining properties served by Canada Northern Power Corp. are gradually increasing their output, thereby utilizing larger quantities of power, while others are simply maintaining their past loads, according to B. V. Harrison, vice-president and general manager.

Extensions to operations are more apparent in northern Quebec, he adds, particularly in the Malartic camp, where East Malartic Mines have increased their power demands by 10% while West Malartic Mines has doubled power consumption.

At the Siscoe Mine additional milling equipment is being installed, which will materially increase its power requirements in the near future, while at the Francoeur Gold Mines, installation of the cyanide plant is nearing completion.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Montreal Refrig.	▪6%	1947	Dec. 1	par
H. Walker deb.	4¼%	1945	Dec. 9	102
Eastern Car ..	*6%	1952	Jan. 1	105

*$45,000.

▪All outstanding balance. Company will purchase bonds prior to the redemption date at 102, including accrued interest.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Municipal—							
Pictou, N.S.	Sept.	Bertram Godden	4%	1943-52	$21,400	101.72	3.72%
Provincial—							
New Brunswick	Oct.	Midland Securities and Syndicate	4%	1953	4,500,000	*100	4%

*Offering price.

Superb

is the only word that adequately describes the quality of the English and Scottish woollens just arrived in Simpson's Custom Tailoring Shop. The group includes both tweeds and worsteds, in one of the richest varieties of patterns and shades Simpson's has ever offered. You are invited to inspect these fabrics at your earliest convenience.

SECOND FLOOR *Simpson's*

NEW ISSUE

$4,500,000

Province of New Brunswick

4% Sinking Fund Debentures

To be dated October 15th, 1941 To mature Oct. 15th, 1953.

Principal and half-yearly interest (April 15th and October 15th) payable in lawful money of Canada in the Cities of Halifax, Saint John, Fredericton, Montreal, Toronto or Winnipeg, at the option of the holder. Redeemable at the option of the Province, as a whole but not in part, on October 15th 1951, or on any interest payment date thereafter, upon at least 30 days' prior notice, at 100% of principal amount together with accrued interest to the date fixed for redemption; and redeemable in part by lot for Sinking Fund purposes only on any interest payment date before maturity upon at least 30 days' prior notice at 101% of principal amount together with accrued interest to the date fixed for redemption. Coupon debentures in denominations of $500 and $1,000 with provision for registration as to principal.

The authorizing Order-in-Council will provide for an annual sinking fund of a sum equal to 1% of the principal amount of this issue, together with one year's interest on all debentures purchased or redeemed, such Sinking Fund to be used solely to retire debentures of this issue, either by purchase in the general market or by call and redemption.

Legal Opinion: Messrs. Long & Daly.

In the opinion of Counsel, these debentures will be legal, valid and binding direct and general obligations of the Province of New Brunswick and will be chargeable, principal and interest, on its Consolidated Revenue Fund. The debentures will be exempt from taxation imposed in New Brunswick for all Provincial, Civic, Municipal and School purposes except Succession Duties.

Information regarding the financial position of the Province will be found in the official circular which is available on request.

PRICE: 100 and accrued interest, to yield 4%

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WE OFFER THESE DEBENTURES IF, AS AND WHEN ISSUED AND ACCEPTED BY US SUBJECT TO THE APPROVAL OF COUNSEL. IT IS EXPECTED THAT DEBENTURES IN INTERIM FORM EXCHANGEABLE FOR DEFINITIVE DEBENTURES WHEN AVAILABLE WILL BE READY FOR DELIVERY ON OR ABOUT OCTOBER 21st, 1941.

Midland Securities LIMITED — Dyment, Anderson & Co. — Gairdner & Company LIMITED

L. G. Beaubien & Co. LIMITED — Burns Bros. & Denton LIMITED — R. A. Daly Co. LIMITED

Bartlett, Cayley & Company LIMITED — A. M. Ramsay & Co. — Fairclough & Company

The statements contained herein are based upon information obtained from official sources, but are in no event to be construed as representations by us.

Algoma Central Studies Plan

A meeting of stock and bondholders of the Algoma Central & Hudson Bay Railway Co. and its subsidiary, Algoma Central Terminals Ltd., has been called in London for Nov. 20, to discuss proposals advanced for the settlement of interest arrears on the Terminal Co. 5% first mortgage bonds.

Maturing Dec. 31, 1959, the Terminal bonds have been subject to an agreement reached in 1937 for the definite postponement of interest to June 30, 1939, since which time, and up to June 30, 1942, interest payments have been at the discretion of the bondholders' committee. After next June 30 bondholders thus have the right to force the payment of back interest which now amounts to nine years of arrears. On June 30, last, a payment of half a year's interest left payments complete to June 30, 1932.

The terminal facilities have been leased to the railway company, which has not kept up rental payments, through permission of the Terminal bondholders' committee. These unpaid rentals had reached a total of $1.8 million at the end of last year, and the bondholders' committee may declare the total due and payable any time it sees fit.

One of the objects of the forthcoming meeting is to make some concession to holders of the railway company bonds, who have received a total of only 3% on their investment since 1914.

It is pointed out that the Helen siderite iron mine is now in full operation and providing increased revenue for the railway. The Algoma Steel Corp. is also working to capacity, it is stated, and "though the increased output is governed by the present situation, it is anticipated that the corporation will continue to prosper after the war."

Investor's Index

Oct. 18, 1941

Abitibi	13	Fairchild Air.	12
Affil. Motorists	13	Grt. Lakes Paper	9
Algoma Central	2	Guelph Carpet	2
Aluminium	19	Harding Carpet.	2
Aluminum Co.	10	Imperial Oil	5
Bathurst P. & P.	13	Int. Metal Ind.	5
Bowater's	8	Invest Bd. & Sh.	13
Brown Co.	12	Loblaw Incorp.	1
Canadian Car	12	Massey-Harris	1
Candn. Cottons	17	Mtl. L. H. & Pr.	17
Candn. Cottons	5	Montreal Trams.	10
C. P. R.	5	Montreal Trust	2
Can. Northern	2	Paramount Pict.	7
Can. Vickers 5,	20	Regent Knitting	13
Coast Breweries	12	Shawinigan	5
Cons. Diversif'd	19	St. John Dry D.	8
Consol. Paper	10	St. Lawr. Flour	5
Davis Shipbldg.	17	Toronto Elev.	12
Distillers-Seag.	8	Trans-Can. Air.	8
Donnacona	13	Zeller's	13
MINES AND OILS			
Arntfield	18	Malartic Gold F.	19
Candn. Malartic	19	Nat'l. Malartic	19
Duquesne	18	Nicholson Mines	18
East Malartic	19	Queenston	18
Francoeur	18	Sigma	18
Gold Belt	18	Sladen Malartic	19
Golden Arrow	18	Stadacona	18
Jacola	18	Steep Rock	18
Jason	18	Sullivan	18
Kirkland Lake	16	Vermilion Cons.	18
Lapa Cadillac	17	Yama	18

REGULAR FEATURES

Banking	15
Bond Markets	5
Bond Quotations	16
Business, Week in	7
Commodities	17
Company Reports	12
Editorial	6
Insurance:	
Fire and Casualty	14
Life	14
Investment Trends	4
Investment Enquiries	13
Market Opinions	4
Stock Quotations	16
Mining, Week in	18
Mining Quotations	16
Oils, Week in	18
Oil Quotations	16
Public Utility Earnings	15
Pulp and Paper	12
Wheat, Week in	17
Wheat Quotations	17

Bond Tenders

6 p.m., Oct. 27, Village of Chandler, P.Q.—$20,000, 4½% school commission bonds, dated Oct. 1, 1941, redeemable from Apr., 1942 to Apr. 1951. Michael Murphy, sec.-treas.

6 p.m., Oct. 27, Drummondville, P.Q.—$21,000, 4% redeemable serially in 20 years; $10,000 4% redeemable serially in 10 years. Joseph Marier, city clerk.

5 p.m., Oct. 27, Parish of St. Columb de Sillery, P.Q.—$68,900, 4 or 4½%, dated Aug. 1, 1941, maturing in series from Aug. 1, 1942, to Aug. 1, 1961. R. A. Lemieux, sec.-treas.

7 p.m., Oct. 28, East Angus, P.Q.—$90,000, 4%, dated Nov. 1, 1941, maturing in series from Nov. 1, 1942, to Nov. 1, 1961. Anselme Tourigny, sec.-treas.

Is Windsor Treating You RIGHT?

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Over 32,000 Windsorites working day and night at the highest per capita wage in Canada do things to sales records.

And, they're ably assisted in the process by the people from the farms and urban centres of Essex and Kent counties, many of whom work in Windsor's war industries.

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Canadian Pacific Express TRAVELLERS CHEQUES

Reconditioning the Social Services

Says Now Is the Time to Prepare for Postwar Problems

Herewith The Financial Post presents the first of three articles on reorganization of the social services in Canada.

The Post publishes these articles as newsworthy and as coming from an authoritative source, but publication, of course, does not necessarily imply agreement with their findings. The author urges that NOW is the time—when employment is very high and warbred prosperity reduces social service burdens to the minimum—for reconditioning the Dominion's social service machinery to meet the inevitwar readjustment.

The author of this series is Harry M. Cassidy, head of the department of Social Welfare, University of California, formerly Director of Social Welfare for British Columbia and one-time professor of Social Science, University of Toronto. Following articles will appear in successive issues of The Financial Post.

By **HARRY M. CASSIDY**
University of California

Canada entered the depression decade of the 1930's utterly unprepared to cope with large-scale unemployment. In consequence there was a crisis regarding unemployment relief in the early 1930's and the need for emergency measures to deal with it, which were a constant headache to governments and to the general public until they became virtually unnecessary on account of wartime re-employment.

Will the country be any better prepared to deal with the mass social problems of postwar demobilization and reconstruction?

The prospects are not favorable unless, during the war, serious attention is given to a lot of housecleaning and planning that ought to have been done in the 1930's. For in spite of some progress that was made during the depression decade, Canada does not have an efficient public welfare system.

In contrast with those of Great Britain and the United States, the Canadian public welfare services are backward and weak in many respects. In general, but with honorable exceptions, they are poorly organized, their administrative performance is mediocre, their personnel is weak, and they lack life and vitality.

It is with the problem of reorganizing the provincial and local welfare services that this and two succeeding articles will deal.

Welfare reorganization would not be a matter of great concern, particularly in wartime, were it not for the great scope and importance of the welfare services in modern society. In Canada they cover all forms of relief or public assistance to the needy (unemployment and indigent relief, old age, blind, and mothers' pensions, war veterans' aid, medical care and hospitalization, etc.), child welfare services, mental hospitals and other mental hygiene services, and penal institutions and other delinquency services.

Public dependents, supported wholly or in part by these services out of tax funds, numbered about 2,000,000, nearly 20% of the population, in the winters of 1933 and 1934 when unemployment was at its peak. In 1937, 1938, and 1939 the average number was in the vicinity of 1,500,000, and still, in 1941, in spite of the virtual disappearance of relief for employables, there remain about half that number—mainly old age pensioners, children, the sick, delinquents and other unemployable groups.

In the latter years of the depression period—1937 to 1939, inclusive—the public expenditures upon the welfare services were about $250 millions annually.

This represented one-quarter of the total cost of government in Canada, or about 5% of the total national income in such a year as 1937.

In the years just preceding the war public welfare was much the most costly function of government in Canada. In spite of a great decline in expenditures during the past year or so, on account of the curtailment of unemployment relief, public welfare is still one of the most costly non-defense obligations of government.

The Dominion-Provincial Issue

The problem of organizing and managing this huge programme efficiently has two major aspects—Dominion-provincial and provincial-municipal.

The question of Dominion-provincial relations dominated discussion of the organizational problem during the 1930's and was responsible in large part for the appointment of the Rowell-Sirois Commission in 1937.

Uncertainty regarding the obligations which the Dominion would assume discouraged vigorous action by the provincial governments to reorganize and improve their own services. Why do so, it was argued, when the Dominion might at any time take over unemployment relief completely, as well as other social services? Thus the great debate over Dominion-provincial relations was largely responsible for holding up badly needed administrative reform on the provincial-municipal sector of the welfare front and goes far to explain the weaknesses in organization and administration that are general throughout the country today.

The monumental report of the Rowell-Sirois Commission, by recommending complete Dominion assumption of responsibility for unemployment relief and a new system of grants-in-aid to the provinces, has at least cleared the air. But whether these proposals are later followed or not it should be clear, after the exhaustive Rowell-Sirois enquiry, that the provinces and municipalities will be expected to operate the bulk of the welfare services, so that no serious uncertainty regarding Dominion policy should longer deter them from much needed administrative housecleaning at home. The Commission pointed out the need for this, urging each province to make a comprehensive survey of those services within its own jurisdiction.

Provincial-Municipal Relations

The public welfare systems of the various provinces are typically the products of haphazard development extending over many years.

Following British poor law precedent, the municipalities were charged originally with responsibility for all classes of the destitute and the sick. But progressively, the provinces found it necessary to assume increased responsibilities, until today they both operate and finance various programmes including mental hospitals and institutions for the feeble-minded, tuberculosis institutions, jails, institutions for juvenile delinquents, child welfare services, and old age and mothers' pensions, while they share with the municipalities the costs of financing unemployment and poor relief, hospitalization, and medical care for indigent persons.

Thus there has taken place a significant transfer of welfare responsibilities, administrative and financial, from the local to the provincial level. In 1937, according to the Rowell-Sirois Commission, the provinces met about 35% of the total cost of public welfare, while the municipalities paid 21.2% and the Dominion 43.8%. Detailed arrangements, of course, vary substantially from province to province.

Division of Functions

In every province there is a problem of provincial-municipal relations in the welfare field, the counterpart of the national problem of Dominion-provincial relations, and this has led to much controversy between provincial and local governments.

This problem may be discussed under four headings, division of administrative responsibilities, finances, local welfare units and co-ordination and standards. Concrete examples to illustrate present difficulties will be drawn particularly from British Columbia, the province with which the writer is most familiar and, incidentally, not one of the worst, but one of the best provinces in welfare standards.

The distribution of operating responsibilities calls for reconsideration in practically every province, as the Rowell-Sirois Commission pointed out clearly in its report. With the municipalities generally administering poor relief and unemployment relief and the provinces the categorical aid programmes (mothers' allowances and old age pensions) provincial and local social workers or investigators performing essentially the same administrative activities, typically work in the same territory, often going into the same homes and duplicating investigations.

In British Columbia, institutions for aged persons are maintained by the cities of Vancouver and Victoria and also by the provincial government. During most of the depression period the provincial Unemployment Relief Branch provided relief and medical care for "transient" single men in Vancouver, through its own branch offices, while the city welfare department provided similar services for "resident" single and married persons. Situations of the kind, to be found in most parts of Canada, made not only for wasteful duplication of administrative machinery and procedure, but also for vexatious and time-consuming controversies regarding the agency responsible for the care of a particular person. "Passing the buck" became one of the leading arts of the welfare administrator, to the disadvantage both of those in need of relief and the general body of taxpayers.

Another difficulty incidental to the present distribution of operating functions is that the municipalities are generally ill-equipped to discharge certain of their highly-specialized obligations, for relatively small groups of persons. Indigent medical care, juvenile detention homes and probation service, jails, and adult probation fall in this category. In British Columbia, for example, there is only one proper local detention home, in Vancouver, and there are full-time probation officers only in three out of the 70 municipalities.

Finance—A Bone of Contention

The financing of the local welfare services has been the chief bone of contention between provincial and local governments. In most of the provinces the provincial governments make grants to the local authorities in respect of unemployment relief or poor relief and share jointly with them the costs of supporting hospitals and other institutions and of maintaining children removed from their parents by court order. But municipal payments also flow the other way, to support inmates of provincially operated institutions and, in Alberta, to contribute toward the costs of old age pensions and mothers' allowances. Thus there are commonly criss-crossing financial arrangements, which have usually been worked out one by one, each without much reference to the others, so that they are likely to be confusing and unco-ordinated.

But a still greater weakness of the present system of dividing welfare charges is that the incidence of the financial burden, in relation to taxable resources, differs enormously among the municipalities. Approximate figures for British Columbia show that in 1937 welfare costs ranged from a low point of less than one mill per dollar of taxable valuation in the town of Summerland to a high point of 23.4 mills in the town of Fernie. It was the crushing burden of unemployment relief costs that was mainly responsible for driving many municipalities into bankruptcy during the depression years. Present arrangements are not sufficient to protect the weaker municipalities against a similar fate again, if and when the relief burden should become severe.

The Small Municipality

Many of the 3,600 units of local government in Canada are quite unsuitable to administer welfare services. Only about 150 of these have a population of 5,000 or more. The remainder, mainly rural townships, are too small in population to be satisfactory welfare units. For their "case loads" are typically too low to justify the employment of full-time, professionally trained personnel or the establishment of efficient administrative machinery. It is now generally recognized that the one-room, ungraded country school, whatever its contribution in days gone by, cannot offer proper education to country children. By the same token the small rural welfare unit, a relic of the horse-and-buggy days in local government, cannot possibly meet adequately the welfare needs of its community.

At the other end of the scale is the situation presented by the suburban municipalities clustering around Montreal, Toronto, Winnipeg, Vancouver and other large cities. In these districts welfare services might be administered more efficiently through metropolitan agencies than through ten or a dozen separate municipal governments.

Co-ordination and Standards

Lack of co-ordination between provincially and municipally operated services, and between those of the various local authorities, is common throughout Canada. The problem of non-residents illustrates this problem. In some of the provinces no adequate system has yet been worked out to ensure that every person in need of welfare service is the responsibility of **some** public agency, so that persons who lack technical residence qualifications are denied aid by the municipality in which they become destitute and are passed on, often without result, to other authorities.

In British Columbia responsible municipalities have frequently refused relief to single men under treatment at the provincial venereal disease clinics.

Without relief the men would take to the road and their treatment would be interrupted, so that they would continue to be potential sources of infection and the public money already spent upon medical care for them would be wasted.

It is notorious that standards of service vary greatly from one local community to another. Relief allowances, as the Rowell-Sirois Commission has pointed out repeatedly in its report, are extremely variable. Some municipal authorities have made no provision whatsoever for services for which they are technically responsible, such as relief for able-bodied single men, medical care, and juvenile probation service.

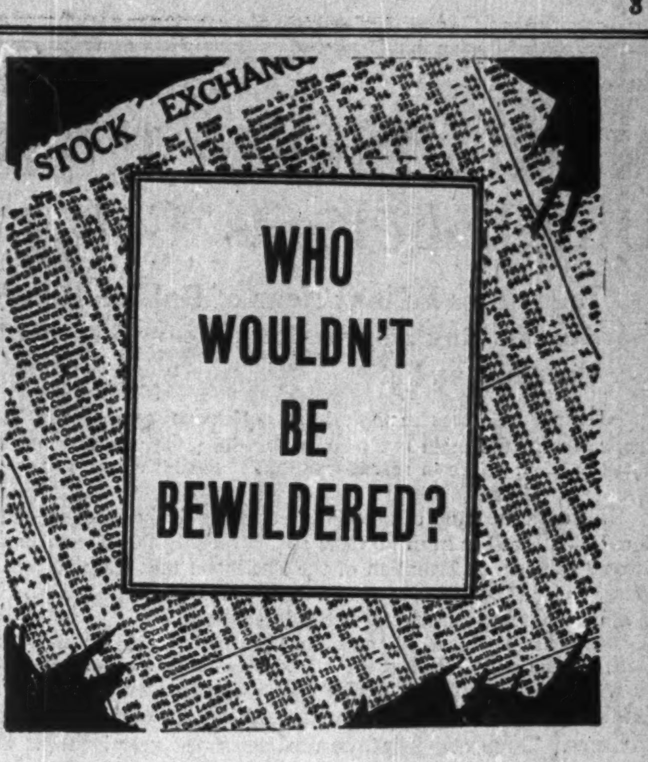
These problems of co-ordination and standards derive largely from a great lack of central planning and supervision. The doctrine has been generally accepted that the municipalities should be free to run their own welfare services in their own way. Provincial control and supervision has been limited largely to financial matters. Diversity in policies and methods of local administration, accompanied by very poor standards of administrative performance, has been the inevitable result.

From this it appears that the problem of provincial-municipal relation leads to the question of administrative machinery and administrative standards, both provincial and local, which will be discussed in the next article in this series. The various provinces must, as a first and indispensable step in building up modern systems of public welfare within their boundaries, rethink and replan their relations with the municipalities. Adequate policies must include redistribution of operating functions, sound provisions for finance, redefinition of the local welfare unit, and provincial supervision of local services in the interests of co-ordination and good standards of performance.

"Canada does not have an efficient public welfare system. In contrast with those of Great Britain and the United States, the Canadian public welfare services are backward and weak in many respects.

"In general, but with honorable exceptions, they are poorly organized, their administrative performance is mediocre, their personnel is weak, and they lack life and vitality."

—HARRY M. CASSIDY.



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The Family Man's Position:

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The reduced income figures at the top are based on the new Dominion Income Tax rates and National Defence Tax for married men with no dependents. Provincial income tax (if any) would reduce these incomes still more.

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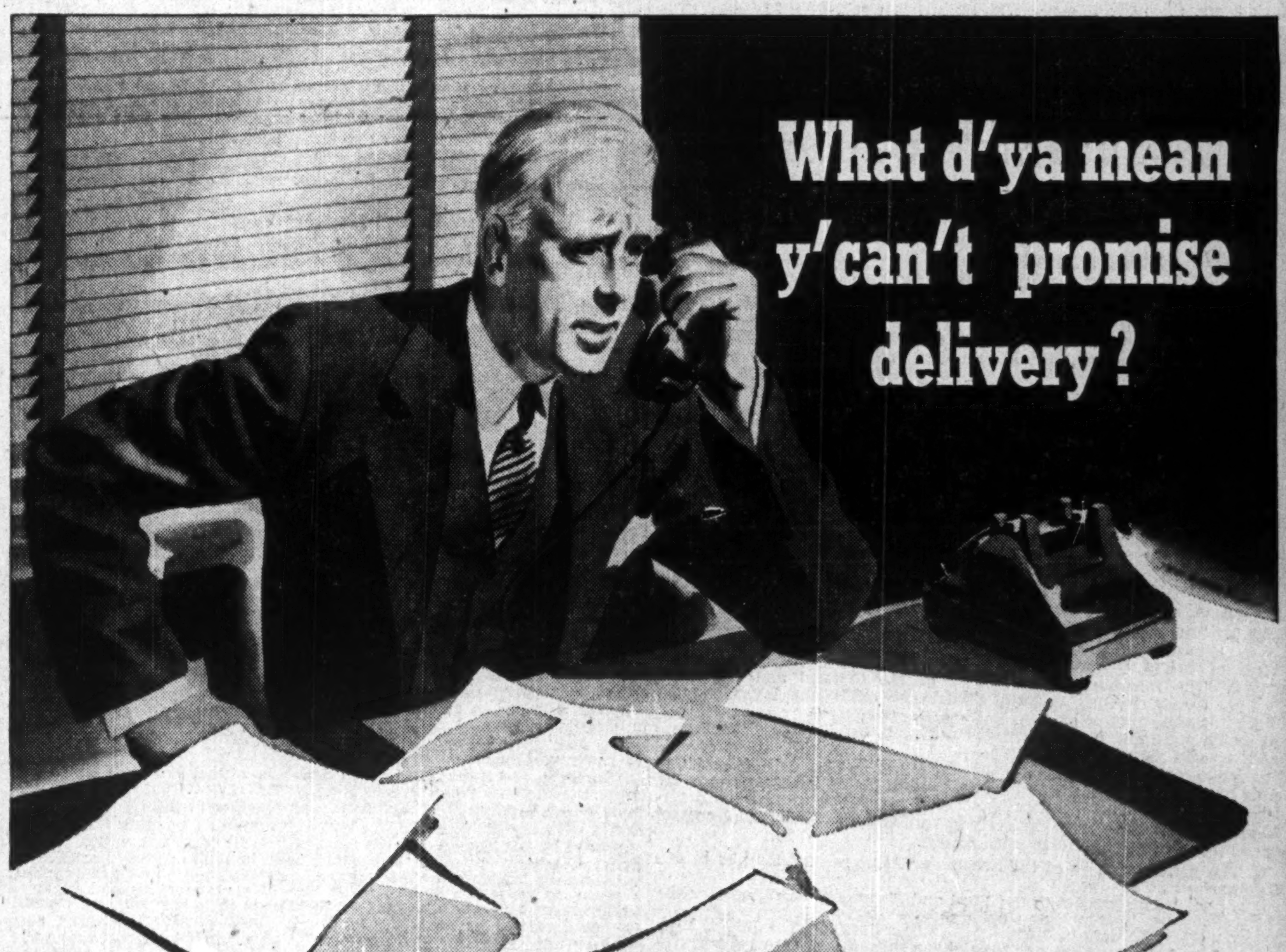

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Investment Trends

Market Decline Wipes Out Laborious Gains

Uneasiness Follows News of Russian Reverses But Nothing Approaching Heavy Liquidation Develops as Yet

German successes in their latest offensive against the Soviet armies seems the main explanation for the weakness that has been noted in stock prices in recent trading. It has hit a market that was never very strong.

But a fact worthy of note is the comparatively small amount of liquidation that has been brought out. Probably this should be considered further confirmation of the likelihood that the markets discounted war disasters in May and June of last year and have become to a great extent immune to such influences.

Until the battle for Moscow and the Russian oilfields in the Caucasus is decided, or at least some intelligent forecast can be made of its outcome, it would be unlikely that stocks would advance materially. From the U. S. comes increasing emphasis on domestic problems. Taxes and priorities are mentioned prominently. Such obstacles seem likely to get stronger rather than weaker as the U. S. defense effort gets into high gear.

At the same time it is well to keep in mind the explosive character of the U. S. stock markets and the chances that, sooner or later, they will recognize the existence of a business boom with definitely inflationary aspects. When the change really comes, it might be sudden and travel fast. Hence, some of the venturesome will probably be picking up bargains in earnings, dividends and assets.

More Controls

Once again we have evidence that the trend today is toward more controls and restrictions on civilian business rather than fewer. Following closely on the Ottawa regulation that production of many classes of durable household appliances is to be reduced at least 25% in the coming year come further restrictions on sales.

This time it is installment selling that is hit, something that readers of The Financial Post have been prepared for by several articles recently. For the investor it means increasing vigilance. In few cases as yet have the measures taken meant death blows, but in all cases they mean greater difficulty in maintaining earnings. It means careful study to make certain that alternative sources of business are available for the companies in which one is interested. It emphasizes continually the need for care in making commitments.

• • •

New Demand Coming

Insurance companies in the United States may soon be permitted to add common stocks to their portfolios. The Securities and Exchange Commission is said to favor such a relaxation of present laws controlling insurance company investments. A move is under way in New York State, the most important insurance state, at present to permit life insurance companies to invest in certain types of common stocks.

With this movement sponsored in New York State, and having the support of the Securities and Exchange Commission, it seems quite likely that the huge investment funds of the life insurance companies in the United States will be able to enter the market for equities. For the insurance companies it would apparently mean an opportunity to diversify their present holdings which are restricted by the type of securities available. It would also permit some liberalization of yields, and in part, offset the low interest rate being paid on high grade bonds.

For the stock market it means a new, and important, group of buyers even if careful restrictions are placed on the type of securities which these companies can buy and the proportion of their portfolios which they may place in equities. It is not likely to mean any immediate splurge of buying as, even if the present move succeeds, insurance companies might be in no hurry to buy stocks.

In Canada, life insurance companies are permitted to invest up to 15% of their assets in a selected group of common and preferred stocks. The stock which are eligible, and those which a number of important insurance companies have bought, were listed in The Financial Post last week.

Effect of Time Sales Curbs

Business Found Fully Ready to Co-operate

(Continued from page 1)

25% in excess of that for the same period of 1940, in itself a year showing a major increase in installment credit, stated Hon. J. L. Ilsley at the time of the announcement of plans to curb installment purchasing. He characterized this type of credit "an important inflationary influence under present conditions."

Household Appliances

The new regulations cover a wide list of household apparatus and equipment, as well as automobiles, motor boats, furniture, clothing, jewellery, radios, phonographs, silverware, sewing machines, floor and wall coverings and many similar items. The regulations apply whether the article is new or used.

Provision is made that bank loans or other types of loans from loan corporations may not be used to obtain more credit. Charge accounts come under regulation and unless paid within 10 days of due date become subject to the same terms as installment sales.

Gas Appliances

Majority of the installment sales of gas appliances, The Post is told, have been on a 20 to 24-months' basis. Average term of the selling agreement, however, has been raised to about 30 months by sales of automatic water-heaters, which were on a five-year basis. These compete with the rental basis of electric water-heaters on which no down-payment has been required, the installation and operating charges being met by a monthly service charge.

Average down-payment on the majority of gas appliances has been 10 to 15% of the cost, the new ruling of 33 1/3%, will more than double the down payment, while the term of the agreements has been cut in half. In effect, the out-of-pocket expense of buying the majority of appliances is about twice what it was.

As this condition applies fairly generally in the household furnishing trade, new demands are being made on sales staffs and more competitive conditions have rapidly arisen. Instead of being able to equip a home immediately on credit, the new customer has to allocate his dollar on one purchase at a time. The sales manager has a bigger job than ever to make sure that his commodity is the one decided on.

Automobile Selling

Less affected by the new ruling than household furniishings will be the sales of automobiles, The Post is told by auto finance firms. Down payments have for the most part been kept to 40% of the total purchase price by the larger financing companies, and, while down payments of 30% and even 25% have been allowed, these have been exceptions rather than the rule. In most cases, the trade-in value of the old car will amount to 50% or more of the new car cost.

The 18-month financing on cars valued at over $500 does not differ widely from current practice, few dealers allowing much longer periods. Purchasers of lower-priced cars will be hit by the 12-month regulation, and particularly so if they have no used car to turn in. But the buyer of a $500 used car for the first time will not be seriously affected.

His down payment will be $250 instead of $200, and his monthly charges will be about $25 instead of a possible $18 to $20. But, in view of rising income, the average buyer of this class of car will find his total charges very little heavier than before. The $50 increase in down payment might postpone his purchase for a period equal to two months' carrying charges. Thereafter he may pay $5 more per month, but will, of course, own his car that much earlier.

Department Stores

Officials of large Canadian stores took varying views on the probable effect, on their business, of restrictions on installment selling. Some felt the new regulations might not make much difference as many people now have high earnings and are thought not likely to be deterred by the higher down payments required nor the shorter time to pay.

The general opinion, however, was that restriction of installment selling was desirable for the country as a whole in that it would tend to curtail unnecessary buying of goods which might compete with the war requirements for labor and materials.

It was pointed out that in the case of heavy goods such as electric refrigerators, pianos, furniture, etc. purchases often amounted to $600. Previously it was possible in some retail outlets to buy these with a down payment of 10% or even no down payment at all, and sometimes 30 months to pay the balance. Now on a purchase of this size a down payment of $200 would be required with the balance having to be paid in 12 months.

"That will hold a lot of them," one merchandiser observed.

Clothing Policies

In regard to clothing and general merchandise, it was felt the restrictions would have the effect of cutting out much installment business altogether. In the past a large aggregate amount of business has been done in clothing on the basis of so much down and the balance in four monthly installments. Now a minimum payment of $10 is required. This, it is thought, will to some extent discourage sales on time of the moderate priced clothing.

In general merchandise, a person could formerly buy a small piece of furniture or a fairly wide range of general merchandise on time, so long as the total value reached $15. If a down payment of 10% were required, the buyer had to put up only $1.50 at the time the purchase was made plus a service charge and the balance could be spread over as much as 18 months. Now on a purchase of this size, the $10 minimum payment would mean a balance of only $5 making it impracticable to spread payments over any length of time. One executive expressed the view that the smallest sale that could be put through now on the installment plan was $20.

It was also felt that the sale of small lots of additional goods to be added to the original installment contract would curtail the total volume of business. A case where this might occur would be where a person opened an installment account for say $100, paying $10 down, the balance to be paid in possibly 10, 12 or 15 months.

Stop Adding to Accounts

Under the old plan he could buy other goods at a later date and have the amount added to the original purchase contract, provided the new purchase was not for less than $7.50. These small purchases would now be prohibited, it was declared, because the total amount involved was less than the minimum down payment of $10.

Charge accounts it was felt would not be greatly restricted. Under present charge account contracts, accounts not paid by the 10th of the month following the date of the statement rendered are liable to interest at the rate of 5% per annum. Under the new regulations, unless the debt is paid by that time, the merchant must not give credit on additional purchases until the debt is paid. This, it is believed, is to prevent buyers pyramiding their buying and making credit accounts virtually installment accounts, where the retailer would allow them to do so.

MONTREAL.—Restrictions on installment selling will not substantially affect the business of Industrial Acceptance Corp. inasmuch as the terms announced are not at great variance with the company's standard terms, according to R. D. Bell, president.

For many years I. A. C. has been active, says Mr. Bell, in endeavoring to combat the tendency toward long-term small down payments in the installment field. These restrictions, while somewhat more severe in the case of down payments on new automobiles and under the I. A. C. schedule, are substantially in accord with the company's ideas as to proper terms.

It is not these restriction, Mr. Bell adds, which will have a major effect on the company's business for the rest of the year. The factor that will have the effect of reducing I. A. C. sales volume will be restriction on production of motor cars and other articles customarily financed on installments.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. matel. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-40:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1941: Monthly Figures:												
Jan.	77.6	74.1	72.3	51.6	110.6	96.3	104.3	84.0	75.4	94.7	77.3	71.3
Feb.	72.9	63.8	69.5	48.7	105.0	90.1	96.6	77.3	68.8	90.9	71.3	66.5
Mar.	73.6	65.4	69.5	49.5	103.1	87.9	93.7	78.5	67.0	89.9	70.7	66.8
Apr.	73.2	63.9	68.6	49.4	101.3	88.6	88.1	77.8	62.2	89.7	68.2	65.8
May	71.8	59.7	63.4	51.3	97.4	88.6	82.8	74.4	60.3	88.3	65.2	63.9
June	72.0	59.5	67.5	48.0	101.1	90.1	87.3	74.9	62.0	89.0	67.1	64.0
July	76.3	66.1	67.5	48.4	105.7	90.5	94.3	77.8	65.3	89.7	70.6	67.5
Aug.	76.8	70.2	72.4	49.1	106.3	91.8	95.7	79.7	64.4	89.7	71.2	67.8
Weekly Figures:												
Sept. 4 ..	78.4	78.1	72.8	49.0	107.1	92.6	101.2	81.5	67.3	90.2	73.9	69.2
Sept. 11 ..	80.0	78.1	73.0	50.8	109.6	94.0	102.6	82.5	68.3	91.1	74.6	71.3
Sept. 18 ..	82.5	81.5	75.4	54.3	109.7	94.5	105.2	84.1	70.4	91.7	76.2	73.1
Sept. 25 ..	80.7	76.1	75.3	50.3	108.1	92.5	100.9	81.5	68.2	91.8	73.5	70.1
Oct. 2 ..	80.7	78.6	78.8	52.3	107.4	93.1	102.3	82.4	69.6	91.3	75.5	71.2
Oct. 9 ..	78.5	74.5	75.9	51.3	104.5	92.1	99.4	80.0	67.3	91.0	72.9	69.5

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Oct. 14	94.02	97.63	69.70	19.26
Oct. 13	Holiday			
Oct. 11	93.86	97.50	70.09	19.26
Oct. 10	94.39	97.15	70.00	19.33
Oct. 9	94.60	97.37	69.85	19.36
Oct. 8	95.83	99.34	70.86	19.79
Month ago ..	98.67	102.28	74.53	20.27
Year ago	101.94	99.31	67.43	21.90
High 1941 ...	103.48	109.76	75.30	21.62
Low 1941	85.87	95.68	59.30	16.73

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Oct. 14	46.1	61.9	56.6	77.77	70.21
Oct. 13	Holiday				
Oct. 11	46.1	61.5	56.4	77.75	70.59
Oct. 10	46.8	61.8	56.8	78.29	70.76
Oct. 9	46.4	61.9	56.7	77.94	70.99
Oct. 8	47.1	63.1	57.8	81.88	72.12
Month ago .	47.8	65.6	59.7	85.71	72.32
Year ago ..	55.5	68.3	64.1	86.33	74.18
High 1941 .	54.3	66.6	62.3	88.90	79.99
Low 1941 ..	42.1	52.3	49.3	58.96	67.38

Market Opinions

Few signs of optimism are noted this week in stock market comment from American sources, at least so far as the immediate future is concerned.

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Barron's N.Y. (The Trader)—A fear psychosis, hardly duplicated since just before the bank holiday of 1933, grips men of means. Its fundamental causes are obvious: Fear of the collapse of Russia and apprehension over the growing federal socialism in the United States. Proposals for rigid price controls and for unbelievable taxes, advanced before the ink is hardly dry on the 1941 tax measure, make capital quake. Retreat into cash seems the only safe course. Compensation, however, for all of the dread uncertainties of the moment is ample in the high yields and low capitalization of profits in the stock market. Once again, as in 1929, 1933 and 1937, it becomes imperative to disregard mass psychology in determining whether stocks are in a long-pull buying or selling area.

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Brookmire Counselor, N.Y.—Humming business activity continues to provide a strong fundamental background for the stock market. Defense needs are forcing many restrictions, to be sure; and taxes are mounting; but corporation earnings and dividends, nonetheless, are showing favorable trends. Foreign events appear to be the main source of the prevailing market unsettlement; and ability of the Soviet forces to hold is especially important to watch in the near future. In their active funds, clients should continue to strive for the happy medium of withholding the proceeds of moderate recent sales while maintaining positions in well-diversified stocks representing sound industries.

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Barron's, N.Y. (The Dow Theorist)—A secondary downtrend in the Dow-Jones industrial and railroad averages last week was indicated, under the Dow theory, to have been under way since the beginning of August. Both averages broke through their range of the summer and fall. This action constitutes a direct threat to the lows of earlier this year, 115.30 in the industrials and 26.54 in the rails. If these lows should be broken, the bear-market lows of 1940, 111.84 and 22.14, would be threatened. Secondary signals in the direction of the primary trend are generally considered more important than those against it. But the bear market trend has not been reconfirmed for more than a year, so that there is a real question as to the main trend. This secondary signal is hardly the kind that a bear would bet his last dollar on.

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Journal of Commerce, N.Y.—Higher corporate taxes, particularly if they involve the elimination of the average earnings option for computing excess profits taxes, could lead to considerable further readjustments of stock values. Higher personal income taxes also could lead to shifts by investors from issues with high dividends yields to those with long-term growth prospects based upon reinvested earnings.

Next to taxes, priorities and limitations upon consumer goods industries are the chief threat to values of stocks of enterprises in non-defense industries.

While events abroad may affect the attitude of investors for a time, they are distinctly subordinate to tax and priority developments as direct and immediate factors shaping the course of stock market price changes. The latter will clearly prove to be the dominant influence upon share quotations.

St. Maurice Power Corporation

5% Second Mortgage Sinking Fund Bonds

Due August 1st, 1956

St. Maurice Power Corporation owns a new hydro-electric power plant at La Tuque, Quebec, which is operated by The Shawinigan Water and Power Company. The plant is well situated to serve important industrial consumers and has a present capacity of 178,000 H.P.

The Shawinigan Water and Power Company owns all the Class "A" common shares of the Corporation and has contracted for substantial amounts of power.

Earnings of the Corporation during the ten months ended August 31st, 1941, before depreciation but after first mortgage bond interest, amounted to $379,954 compared with ten months interest requirements on the Second Mortgage Bonds of $166,667.

Price: 100 and accrued interest, to yield 5%

Descriptive circular forwarded upon request.

36 King Street West
Toronto
Telephone: ELgin 4321

Wood, Gundy & Company
Limited

The City of Saint John is interested in the establishment of a system of bus transportation therein to replace or in addition to its present street railway system.

Interested parties are asked to submit proposals in this connection before October 20th next to H. D. Hopkins, Common Clerk, City Hall, Saint John, New Brunswick.

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

—SUPERIOR COURT—

No. 109

IN THE MATTER OF:
MONTREAL TRAMWAYS COMPANY
—and—
IN THE MATTER OF:
THE QUEBEC RAILWAY ACT

NOTICE IS HEREBY GIVEN that by an Order dated October third, 1941, under the provisions of Division III (a) of the Quebec Railway Act, Mr. Justice Greenshields, Chief Justice of the Superior Court for the Province of Quebec, has directed separate meetings to be convened of—

(i) The holders of the First and Refunding Mortgage 5% Thirty Year Gold Bonds, and
(ii) The holders of the General and Refunding Mortgage Sinking Fund Gold Bonds of all Series now outstanding, being Series "A" to "D" inclusive,

respectively of Montreal Tramways Company, for the purpose of considering and, if thought fit, agreeing to a Scheme of Arrangement proposed to be made between the said Company and the holders of such Bonds respectively, either as proposed or as altered or modified at such meetings, and has further directed that such meetings be held AT THE WINDSOR HALL, WINDSOR HOTEL, DOMINION SQUARE, IN THE CITY OF MONTREAL, PROVINCE OF QUEBEC, DOMINION OF CANADA, on the respective dates and times below mentioned, namely:

1. The meeting of the holders of the First and Refunding Mortgage 5% Thirty Year Gold Bonds on Tuesday, December ninth, 1941 at 11 a.m. Eastern Daylight Saving Time;
2. The meeting of the holders of the General and Refunding Mortgage Sinking Fund Gold Bonds on Wednesday, December tenth, 1941 at 11 a.m. Eastern Daylight Saving Time;

at which place and respective dates and times the holders of the Bonds as aforesaid are requested to attend.

The said Order further directs that either or both of such meetings may be adjourned from time to time, for not longer than 90 days in all, in such manner and either with or without notice as may be determined by vote of a simple majority in value of the Bondholders present or represented at the meeting concerned.

The general nature of the Scheme of Arrangement may be briefly summarized as follows:

A. With respect to the First and Refunding Mortgage 5% Thirty Year Gold Bonds:—

(1) The date of maturity is to be extended from July 1, 1941, to July 1, 1951, without change in the rate of interest or currencies of payment.

(2) The necessary action will be taken to reduce the total principal amount of such Bonds outstanding from $23,611,000 to $19,000,000, through the surrender and cancellation of $3,891,000 of Bonds now held as collateral security for the General Mortgage Bonds, or held in the Company's treasury, and the purchase by the Company and cancellation of $720,000 of outstanding Bonds, all as set forth in Clauses 2, 3 and 4 of the Scheme of Arrangement, and no further Bonds may be issued under the First Mortgage Trust Deed.

(3) The Company will create a sinking fund for such Bonds by an annual payment commencing in 1942 of $700,000 Canadian funds payable either in cash or in such Bonds taken at their purchase price to the Company or at par, whichever is less. Sinking fund moneys are to be applied to the purchase of Bonds on the market or by private contract at prices not exceeding 100½% and accrued interest, or if and to the extent that such moneys have not been so applied within sixty (60) days after receipt, in the redemption of Bonds by lot at 100½% and accrued interest.

(4) Such Bonds shall be redeemable in whole or in part by lot at any time prior to their extended maturity date at 100½% and accrued interest on not less than thirty (30) days' published notice.

(5) All defaults and penalties under the First Mortgage Trust Deed shall be waived.

B. With respect to the General and Refunding Mortgage Sinking Fund Gold Bonds:—

(1) Such Bonds are to be exchanged, par for par, for General Mortgage Bonds of new series to be created under the General Mortgage Trust Deed but bearing the same respective interest rates and having the same maturity date as the Bonds for which they are to be exchanged; holders of Bonds who were on April 17, 1941, and still are, when the Scheme becomes binding, residents of countries other than the Dominion of Canada to receive new Bonds payable, at the option of the holder, in United States, Canadian or English currency, and all other holders to receive new Bonds payable in Canadian currency only.

(2) The security for such Bonds will be modified by the release from the lien of the General Mortgage Trust Deed and cancellation of $2,260,000 First and Refunding Mortgage 5% Thirty Year Gold Bonds now pledged thereunder.

(3) Of such Bonds now outstanding, $1,724,300 held unsold in the Company's treasury are to be cancelled and no further Bonds are to be issued under the General Mortgage Trust Deed which will be closed at $26,047,400.

(4) A sinking fund will be established for the new General Mortgage Bonds by payment by the Company of the following amounts:—

$350,100 on or before April 1, 1952.
$367,400 on or before April 1, 1953.
$385,300 on or before April 1, 1954.

such payments to be made either in cash or in such Bonds taken at par. Sinking fund moneys are to be applied to the purchase of such Bonds on the market or by private contract at prices not exceeding 100½% and accrued interest, or if and to the extent that such moneys have not been so applied within sixty (60) days after receipt, in the redemption of Bonds by lot at 100½% and accrued interest. Additional sinking funds are provided in certain contingencies specified in clauses 14(e) and 16 of the Scheme of Arrangement.

(5) The new General Mortgage Bonds are to be redeemable at any time prior to maturity in whole or in part by lot on at least thirty (30) days' published notice at 100½% and accrued interest.

(6) The Company is to covenant that it will pay no dividends unless, prior to the declaration of any such dividends, it shall have purchased or redeemed and shall have surrendered for cancellation new General Mortgage Bonds to a principal amount not in any event less than $2,000,000 and which also shall not be less in principal amount than the total of the sinking funds which would have been payable for the present General and Refunding Mortgage Sinking Fund Gold Bonds of Series "A" to "D" inclusive in the calendar years 1942 and following, to and including the calendar year in which such dividend is to be paid.

(7) The right is reserved to the Company at any time before the expiration of the extended maturity date of the First and Refunding Mortgage 5% Thirty Year Gold Bonds, to replace such Bonds by a new issue of first mortgage bonds to an equal principal amount secured by a charge upon all the properties and assets of the Company ranking prior to the charge constituted by the General Mortgage Trust Deed, subject to the restrictions set forth in clause 16 of the Scheme of Arrangement.

(8) The default under the General Mortgage Trust Deed resulting from failure to pay the First Mortgage Bonds on their original maturity date shall be waived.

A holder of Bonds registered as to principal may attend the meeting in person without producing his Bonds thereat or may, by instrument in writing under his hand stating the amount of his Bonds, appoint a proxy to attend and vote for him at such meeting or any adjournment thereof. Any proper form of instrument appointing a proxy may be used, but for the convenience of holders a suitable form of proxy will be provided.

Holders of bearer Bonds who desire to attend and vote or to be represented at the respective meetings which they are entitled to attend, must either produce their Bonds at such meeting or must deposit their Bonds with any Bank or Trust Company, or with any other depositary approved by the Trustees of the issue of Bonds concerned, which Bank, Trust Company or other depositary will issue a Voting Certificate entitling the holder named therein to be present and vote or to appoint a proxy to represent and vote for him at such meeting and at any adjournment thereof in respect of the Bonds so deposited. Any Bonds so deposited will be held by such Bank, Trust Company or other depositary until after the meeting or any adjournment thereof and will then be returned to the depositor. Any proper form of instrument appointing a proxy may be used, but for the convenience of holders of Voting Certificates a suitable form of proxy will be annexed to the Voting Certificates.

The holder of a Voting Certificate if attending the meeting personally should bring the Voting Certificate with him. In all cases where the holder of a Voting Certificate appoints a proxy the Voting Certificate should be produced with the instrument appointing the proxy.

A proxy need not be a bondholder.

Copies of the Scheme of Arrangement, forms of Voting Certificate and Proxy and other information may be obtained as follows:

By holders of the First and Refunding Mortgage 5% Thirty Year Gold Bonds, from any of the following:

BANK OF SCOTLAND,
30 Bishopsgate, London, E.C., England.
NATIONAL TRUST COMPANY LIMITED,
225 St. James Street West, Montreal, Canada.
20 King Street East, Toronto 2, Canada.
HARRIS TRUST AND SAVINGS BANK,
115 West Monroe Street, Chicago, Ill., U.S.A.
CHASE NATIONAL BANK OF THE CITY OF NEW YORK,
18 Pine Street, New York, N.Y., U.S.A.

By holders of the General and Refunding Mortgage Sinking Fund Gold Bonds, from any of the following:

THE ROYAL BANK OF CANADA,
6 Lothbury, London, E.C. 2, England.
MONTREAL TRUST COMPANY,
511 Place d'Armes, Montreal, Canada.
61 Yonge Street, Toronto 2, Canada.
AGENCY, THE ROYAL BANK OF CANADA,
68 William Street, New York, N.Y., U.S.A.

By the said Order the Judge has appointed Mr. D. C. Abbott, K.C., M.P., or failing him Mr. Hugh E. O'Donnell, K.C., to be Chairman of the said meeting of the holders of the First and Refunding Mortgage 5% Thirty Year Gold Bonds; and Mr. A. S. McNichols or failing him Mr. J. E. L. Duquet to be Chairman of the said Meeting of the holders of the General and Refunding Mortgage Sinking Fund Gold Bonds; and has directed the respective Chairmen to report the result of the said meetings respectively to the Court.

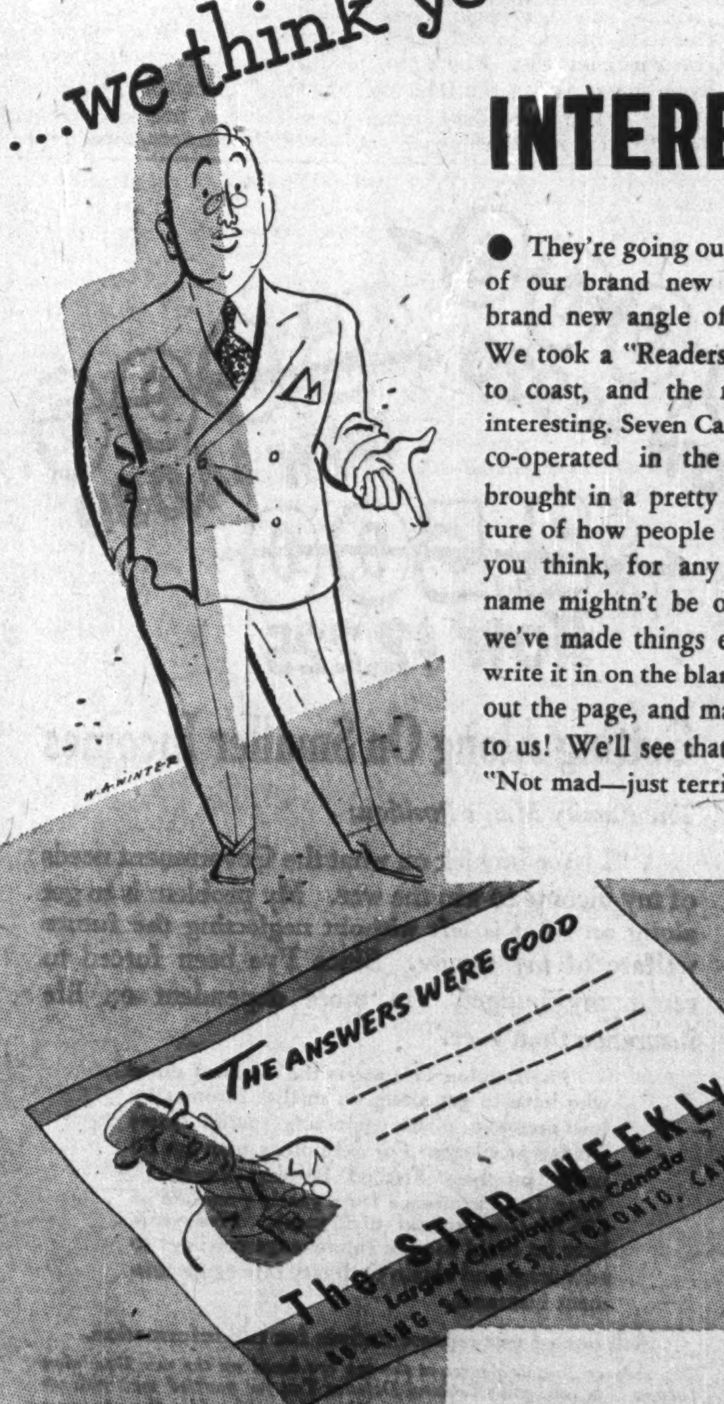
The said Scheme of Arrangement will be subject to the subsequent sanction of a Judge of the Superior Court for the District of Montreal.

The Bank of England have intimated that they will raise no objection to Bondholders who are resident in the United Kingdom voting in favour of the Scheme of Arrangement; but in doing so the Bank make it clear that they wish to express no opinion as to the merits of the Scheme as proposed.

MONTREAL TRAMWAYS COMPANY,
By Patrick Dubee,
Secretary.

Dated the sixth day of October, 1941.

...we think you'll find it



INTERESTING

● They're going out next week...copies of our brand new presentation on a brand new angle of the Star Weekly. We took a "Readership" survey—coast to coast, and the results are mighty interesting. Seven Canadian Universities co-operated in the survey and they brought in a pretty representative picture of how people read our paper. If you think, for any reason, that your name mightn't be on the mailing list we've made things easy for you. Just write it in on the blank label below, tear out the page, and mail the whole thing to us! We'll see that you get a copy of "Not mad—just terribly, terribly hurt!"

The STAR WEEKLY

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Bond Markets

Province Refundings Reflect Improvement

New Brunswick Issue Offered After Market Proves Receptive to Offerings — More Provincial Issues Expected

Third province to enter the refunding market, New Brunswick's $4.5 millions issue of 12-year 4% debentures follows the favorable reception of the larger Quebec issue and the smaller flotation of Prince Edward Island bonds. It is expected that British Columbia and possibly Ontario may soon offer refunding issues.

The offering of provincial bonds provides the investor a mid-year glimpse of the current trend of provincial finances. Up to now, the developments of war have on balance affected provincial exchequers favorably.

When the full terms of the agreements between the provinces and the Dominion on income and corporation taxes are available, it will probably appear that these agreements will preserve the financial gains thus far achieved by the provinces, for the duration of the war at least. The actual standing of these negotiations is still to be clarified, but there have been hints that the deals may be based on 1941 rather than 1940 provincial revenues.

Institutional Buying

The interim reports of the provinces indicate that regardless of the outcome of the Dominion-Provincial tax negotiations, provincial credit has not been on a more solid footing for many years. It is possible that in many fields the provincial standing would be improved by a continuation of the present tax relationship. The position of the investor seems to have greatly improved in either event.

Buying by insurance companies and other large institutional investors is credited with having played an important part in the success of the recent provincial offerings. It appears that the institutions have to some extent absorbed their heavy purchases of Victory Loan bonds and are returning to the market. The number of municipalities calling bonds for redemption ahead of schedule would no doubt account for a large share of the new funds available for investment.

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Speculatives Flatten Out

The recurrent strength in the more speculative bonds appears to have worn itself out over the last couple of weeks. The explanation most generally accepted appears to be that the market has temporarily discounted most of the improvement in this class of security visible at the moment.

For example, Minnesota & Ontario new income bonds at around 92 are not very far short of the quotations on a number of first mortgage issues with fixed interest payments. Although many bond dealers regard the present price as justified by the current earnings position and the drastic reorganization through which the company passed last winter, there is a tendency to question whether further price increases are warranted at the present time. It is known that some of the buying of M. & O's has come from across the border, where the market has been above Canadian prices, after allowing for exchange differences.

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Trading Against New York

Currently, the insistent and recurring buying of Canadian external obligations in New York has boosted the local quotations on these issues out of line with other domestic yields. As an example, the C. N. R. 5% bonds due July 1, 1969 are quoted at around 116. Callable at 105 on and after July 1, 1944, the current price gives a yield of approximately 0.75% to call date.

Against this, Province of Ontario 5½% bonds due July 1, 1946, can be bought for approximately 111 and give a yield of around 2.90%, and afford a current coupon income slightly above that of C. N. R.'s. The five points premium on the call price of the C. N. R.'s is at least partially cancelled by the five points that would be gained immediately on the switch into the Ontario issue.

Although the two years longer probable life of the Ontario issue might be regarded as an offsetting factor, it would in some cases prove more advantageous, since high grade issues with coupons above 5% are becoming increasingly scarce. The only definite arguments that appear against such a transaction would be the possibility of further depreciation of the Canadian dollar, and the question of whether a provincial bond is the equal of a Dominion-guaranteed security.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

FOR SALE

FOR SALE—A 35 H.P. WATER POWER, stone building in center of town of 12,000, near 2 railroads and main highway open the year round, 30 miles north of Montreal. Omer Drouin, St. Jérôme, Qué.

Positions Vacant — Male

ACCOUNTANT-COMPTROLLER

POSITION open with leading Industrial concern, for capable executive with all-round financial and administrative experience. Must have thorough knowledge of accounting, preferably with Chartered Accountant Certificate, also good working knowledge of Corporation and tax laws, and be capable of handling corporate procedure and keeping Minute Books. Applicant must have good business experience and sound Commercial sense. Box No. 160, The FINANCIAL POST, TORONTO.

SALES EXECUTIVE

POSITION open with leading Industrial concern manufacturing and selling nationally advertised high quality packaged merchandise. Must be capable, taking complete charge and direction national sales, preferably salesmanager with thorough knowledge and experience sales promotion and advertising. Give full particulars, qualifications and previous experience. Box 162, The FINANCIAL POST, TORONTO.

ADVERTISING AND SALES PROMOTION MANAGER

POSITION open with leading Industrial concern manufacturing and selling nationally advertised high quality packaged merchandise. Must be an idea man with inspirational qualities and with thorough knowledge and experience. When applying give full particulars, qualifications and previous experience. Box No. 164, The Financial Post, Toronto.

'DOMINION' Envelopes
OF EVERY DESCRIPTION
DOMINION ENVELOPE CO. LTD.
TORONTO
PHONE EL.7271
BRANCHES
MONTREAL WINNIPEG

TOWNSHIP OF SCARBOROUGH

Notice of Intention to Redeem Certain Debentures

To the Holders of Debentures of the Township of Scarborough, dated the 1st day of January, 1940, and maturing in the years 1949 and 1950, both inclusive.

The Corporation of the Township of Scarborough. To the holders of debentures numbered:

1161-16	1175-15	1179-15	1200-15A
1200-15B	1220-15A	1220-15B	1220-15C
1220-15D	1220-15E	1220-15F	1222-15A
1222-15D	1225-15	1225-15A	1225-15B
1249-14	1282-14	1282-14A	1282-14B
1282-14C	1282-14D	1282-14F	1282-14G
1282-14H	1282-14I	1282-14J	1282-14K
1282-14L	1283-14	1283-14A	1283-14B
1283-14C	1283-14D	1329-13	1332-13
1333-16	1333-17	1334-13	1346-45
1346-46	1346-47	1413-12	1346-48
1346-49	1392-12	1410-10	1414-30
1414-31	1414-32	1414-33	1415-12
1416-12	1417-36	1417-37	1417-38
1417-39	1430-14	1430-15	1491-11
1495-11	1496-11	1500-35	1500-36
1500-37	1500-38	1538-94	1538-95
1538-96	1538-97	1538-98	1538-99
1538-100	1538-101	1538-102	1538-103
1538-104	1538-105	1538-106	1538-107
[illegible]	1569-10	1570-19	1570-20
1570-21	1587-30	1587-31	1587-32
1587-33	1653-20	1653-21	1653-22
1654-49	1654-50	1654-51	1654-52
1654-53	1654-54	1654-55	1282-14E

Issued under Plan for the readjustment and reorganization of certain debenture indebtedness of the Corporation of the Township of Scarborough.

TAKE NOTICE that By-Law No. [illegible]73 passed on the Sixth day of October, 1941, pursuant to said Plan, the Council of the said Corporation has authorized and directed the redemption of the above-numbered debentures on the 15th day of December, 1941. Upon presentation and surrender of each such debenture at the principal office of the Canadian Bank of Commerce, in the City of Toronto, on the 15th day of December, 1941, the person entitled thereto will receive payment of the principal amount thereof together with accrued interest to that day.

FROM and after the 15th day of December, 1941, interest on the principal of the debentures so to be redeemed shall cease to accrue.

DATED at Toronto, Ontario, this [illegible] day of October, 1941.

JAMES O. KESSACK,
Treasurer of the Corporation of the Township of Scarborough.

Imperial Oil Improves Plant

Spending $1 Million to Modernize Regina Refinery

Expenditure of upwards of $1 million is under way at the Regina refinery of Imperial Oil Ltd. The work is largely a modernization programme for this refinery to utilize more up-to-date methods of recovering gasoline from crude oil.

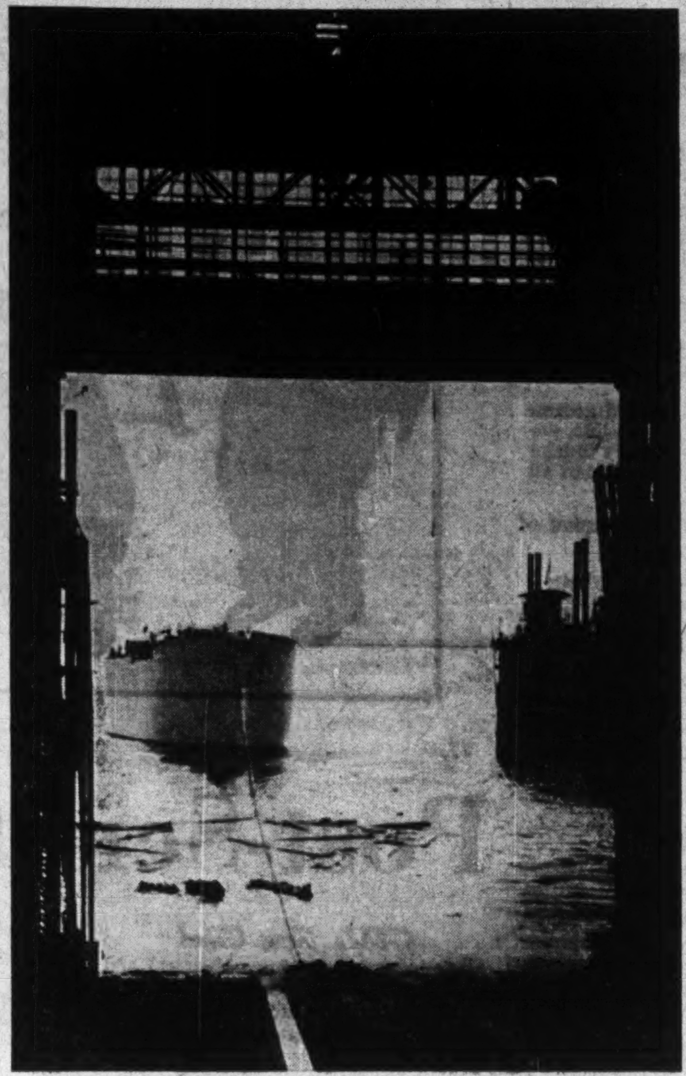
Another factor is the necessity for increased production of aviation gasoline, making of which requires the very latest in machinery. Gases formerly used as fuel for boilers will be recombined and used to make aviation gasoline, permitting more efficient use of Turner Valley crude oil.

It is expected that the enlarged and improved refinery will be in operation next May. The expenditure will not increase capacity of the Regina plant which remains around 7,500 bbl. daily.

POSITION WANTED
Preferably Not in Civil Service

Young man, first rate university education. Experience: seven years machine shop, two drafting, one production planning and administration, seeks position as Secretary, Assistant General Manager or similar position with reputable concern. Replies will be held strictly confidential.
Box 58, The Financial Post, Toronto.

First Link in the Bridge of Ships



S.S. Fort Ville Marie, first of the 9,500-ton cargo vessels built by Canadian Vickers Ltd., for Wartime Merchant Shipping Ltd., just after launching. Ships of this type are capable of handling in one loading: 2,850 tons of foodstuffs, or enough to feed 225,000 persons in Britain for one week; 2,150 tons of steel and other war metals in slabs and bars; enough motorized equipment, Bren gun carriers, trucks and motorcycles, to equip a full infantry battalion; 1,900 tons of bombs, or enough to load 950 medium bombers; enough lumber to build 90 four-room cottages. Each ship of this type can carry two complete bombers stored on the afterdeck and enough aluminum in the holds to build 310 medium bombers or 640 fighters in Britain.

War Contracts in Canada Over $2½ Billions

The following information on war orders and war contracts has just been made available by the Department of Munitions and Supply:

Total war orders and contracts placed in Canada July 14, 1939 to Sept. 30, 1941	**$2,578.2 millions**
Total number of contracts placed on Canadian account	**181,096**
Average value per contract	**$8,300**
Peak month for number of contracts awarded, July, 1941	**15,400**
Peak month for value of contracts awarded: April, 1941	**$158.9 millions**

TOTAL CONTRACTS AWARDED
(July 14, 1939, to Sept. 30, 1941)

Canadian account, including plant extensions*	$1,506,290,087
Civil aviation division for airport construction*	24,000,000
U. K. account for stores	751,872,000
Other accounts	80,235,679
U. K. account for plant extension and output	215,789,000
Total contracts, Canadian, U. K. and other	$2,578,186,766

*Includes contracts awarded under the Air Training Plan, some of which are chargeable to other Empire countries.

What the Money Went For

Aircraft	$319,596,699
Shipbuilding	219,115,197
Ordnance	212,018,180
Construction, Defense Projects	121,333,375
Land Transport	103,194,592
Clothing	86,288,031
Munitions	53,253,793
Foodstuffs	35,051,916
Gasoline, Oil, Fuel	29,189,316
Electrical Equipment	23,982,630
Instruments	20,948,595
Building Supplies	20,835,519
Estimate of additional contracts not yet received	19,580,275
Machinery	13,741,414
Personal Equipment	13,414,754
Beds and Bedding	13,050,633
Dockyard Stores	10,484,217
Kitchen, Dining Room Equipment	6,318,310
Alloys, Metals	5,338,133
Medical, Dental Sup.	4,951,534
Unclassified	4,147,944
Fire-fighting Equip.	3,717,549
Tools	3,296,340
Office Furniture and Equipment	2,870,499
Tentage, other Canvas Goods	2,776,872
Hardware	2,428,302
Barrack Services	2,219,286
Sanitary Supplies	2,126,463
Chemicals, Explosives	1,192,767
Paints	1,078,541
Photographic Equip.	1,011,531
Total	$1,358,553,207

When Contracts Were Awarded

1939	
August	$ 4,583,958
September	3,996,094
October	35,154,661
November	13,778,554
December	6,924,823
1940	
January	$ 35,165,650
February	41,049,037
March	30,813,464
April	20,960,708
May	31,009,313
June	45,403,572
July	86,453,071
August	74,404,709
September	68,326,872
October	148,312,175
November	66,565,640
December	143,788,776
1941	
January	$ 50,897,295
February	60,085,469
March	64,294,745
April	158,928,232
May	106,917,582
June	41,956,034
July	77,539,696
(a) August	48,979,957
(b) September	40,000,000
Total	$1,506,290,087

(a) Preliminary.
(b) Estimated.

Canadian Cottons Ltd. Preferred Rights Change

From Our Own Correspondent

MONTREAL.—Canadian Cottons Ltd. has been granted supplementary letters patent empowering directors of the company to purchase on the open market for concellation, shares of the company's 6% preferred stock at a price not exceeding $120 a share. At the same time directors have been authorized to redeem any of the preferred shares at a price not exceeding $120 each.

The company must notify shareholders at least 30 days prior to redemption date, stating the number of shares to be redeemed. In case more shares are offered for redemption than the company proposes, in each case the shares offered shall be redeemed pro rata.

St. Lawrence Flour Mills On All-out Basis

Canadian flour mills are now delivering a vast amount of flour to Britain and are running practically at full capacity, according to a statement made by D. A. Campbell, president, at the annual meeting of St. Lawrence Flour Mills.

At a special meeting approval was given to a by-law authorizing the company to purchase preferred stock for redemption. Hitherto the preferred was non-callable.

New Brunswick Issues Bonds

Surplus of $382,000 Estimated for Year Ending Oct. 31

Proceeds of the $4,500,000 issue of Province of New Brunswick 4% sinking fund debentures, currently being offered at par will be applied against the matured $1,000,000 issue of 3% debentures which fell due July 15, against other minor maturities and for certain permanent capital expenditures incurred before the war.

In connection with the offering J. J. Hayes Doone, provincial secretary-treasurer, makes the following statement regarding the province's financial position and policies:

Surplus Forecast

"It is the policy of the government to exercise prudence with respect to current expenditures and to restrict capital outlay to absolute essentials. Based on actual results for 11 months of the fiscal year ending Oct. 31, 1941, an over-all surplus is indicated, after provision for sinking fund. For the future, it is the determination of the government to approach its budgetary problems on a like realistic basis."

Based on the 11-month period, forecasted revenues for the 1941 fiscal year are estimated at $10,542,000, against last year's $10,302,000. Expenditures for the year, including interest and sinking fund charges, are estimated at $10,160,000 against $9,764,000 for the 1940 fiscal year. For the second year in succession, the province will show a surplus—of $382,000 against $538,000 last year.

Net debt of the province at Oct. 31, 1941, will be, it is estimated, $85,469,000, moderately below the $85,576,000 reported for 1940 and the $85,921,000 for 1939. Over $60 millions of the current debt is represented by roads, nearly $14 millions by bridges and nearly $11 millions by other capital expenditures. Aside from $6.6 millions for previous government deficits on ordinary account, the balance of the debt was incurred mainly through the financing of unemployment relief.

Dated Oct. 15, 1941, the new bonds are to mature Oct. 15, 1953. They carry a sinking fund provision of 1% of the principal amount issued, together with interest payable to the sinking fund on the bonds held therein. The debentures are callable as a whole at par on or after Oct. 15, 1951, and can be called in part before maturity at 101%, if called by lot for sinking fund. The debentures were sold privately by the Province to a syndicate headed by Midland Securities, Ltd., London, Ont., which included the following members:

Imperial Bank of Canada
Midland Securities
Dyment, Anderson & Co.
Gairdner & Co.
L. G. Beaubien & Co.
Burns Bros. & Denton
R. A. Daly Co.
Bartlett, Cayley & Co.
A. M. Ramsay & Co.
Fairclough & Co.

Shawinigan Net Jumps Sharply

Net Profit Before Taxes In Third Quarter 75% Ahead of Last Year

From Our Own Correspondent

MONTREAL. — Reflecting broad expansion in operations, revenues of Shawinigan Water and Power Co. recorded a sharp increase in the third quarter of 1941.

For the three months ended Sept. 30 gross income totalled nearly $5.1 millions, as against $4.1 millions for the like period a year ago.

The demand for power arising out of war conditions is seen in the fact that in the third quarter the company spent nearly $908,022 on purchased power. This was considerably above average and compared with $575,552 last year.

Net profits, before income and excess profits tax, in the quarter ended Sept. 30 totalled $1.2 million, an increase of around 75% over the same period in 1940.

Well Ahead to Date

Results for the current year to the end of September reflect the sharp upswing in income over the past three months, gross revenue totalling $14.4 millions. This compared with $12.1 millions for the same nine months of 1940.

Net profit subject to income and excess profits tax, after an increase of $150,000 in depreciation, totalled $3,155,860 to Sept. 30, compared with $2,334,706 for the same period last year.

Revenue and Expenses

Comparative figures on revenue and expenses for the three months ended Sept. 30 and for the nine months of 1941 and 1940 follow:

Revenue & Expense Account
Three Months Ended Sept. 30

	1941 $	1940 $
Gross revenue	5,078,443	4,085,058
Less: Gen. expenses	1,043,971	926,057
Power purchased	908,022	575,552
Water rentals	121,447	126,953
Taxes	282,815	276,088
Net earnings	2,722,188	2,180,408
Less: Fixed charges	928,997	964,377
Exchange	65,494	69,620
Depreciation	500,000	450,000
Net profit*	1,227,697	696,411

*Subject to income and excess profits tax.

Nine Months Ended Sept. 30

	1941 $	1940 $
Gross revenue	14,380,855	12,150,710
General, operating & maintenance	2,967,359	2,652,878
Power purchased	2,550,889	1,533,467
Water rentals	353,346	362,224
Taxes	828,753	823,237
Net earnings	7,680,508	6,778,904
Fixed charges	2,826,364	2,893,129
Exchange	198,284	201,069
Prov. for deprec.	1,500,000	1,350,000
Net profit*	3,155,860	2,334,706

*Subject to income and excess profits tax.

Investments Need Constant Attention

ANY list of securities requires constant attention and revision. A list which met every standard when selected may need revision to-day because of ever-changing conditions or because of changes in individual requirements.

We are always ready to assist investors in this respect, regardless of amount involved, and any inquiry will receive immediate attention without obligation on your part.

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

Wilson and Belnap on C. P. R. Executive

From Our Own Correspondent

MONTREAL.—Morris W. Wilson and L. J. Belnap, directors of the company, have been appointed members of the executive committee of the board of the Canadian Pacific Railway to fill the vacancies occasioned by the deaths of Sir Herbert S. Holt and the Rt. Hon. Arthur B. Purvis, P.C.

THE WOOD THAT LASTS FOR CENTURIES

Of the 14 different botanical species of pine in North America, it is generally admitted that none have such a combination of desirable qualities as our own genuine Canadian White Pine (Pinus Strobus).

The White Pine Bureau publishes a booklet briefly discussing the general uses of this QUALITY LUMBER. Detached information on any special use will be supplied on request to the . . .

WHITE PINE BUREAU
Victoria Bldg. Ottawa

THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA

INVEST YOUR FUNDS in BRITISH COLUMBIA NOW

No better Provincial security can be had in Canada today, for no Province in Canada can show so splendid a record of improvement in its financial position.

British Columbia always has met its contractual obligations in full, and its sound financial policy is a guarantee of a safe field for investment.

British Columbia has reaped a bountiful harvest of sound financial achievements from this policy. It has enabled her to:

RETIRE $29,667,342.28 OF THE PUBLIC DEBT DURING THE PAST TWELVE MONTHS, WITHOUT RECOURSE TO REFUNDING.

REDUCE THE GROSS DEBT OF THE PROVINCE BY $2,071,313.02 SINCE NOVEMBER 1, 1933.

REDUCE ITS NET DEBT BY $5,547,036.25 SINCE OCTOBER 1, 1940.

OCCUPY THE POSITION OF BEING THE ONLY PROVINCE THROUGHOUT THE ENTIRE DOMINION TO SHOW A REDUCTION IN THE GROSS DEBT DURING THE PAST EIGHT YEARS.

TO SCALE DOWN THE AVERAGE RATE OF INTEREST ON THE PUBLIC DEBT FROM 4.7332 PER CENT IN 1933 TO 4.17 PER CENT IN 1941.

TO EFFECT A SAVING OF $1,646,155 IN INTEREST AND SINKING FUND REQUIREMENTS.

While since November 1, 1933, the net debt of the Province has been increased by $8,942,692, consideration must be given to the $4,000,000 spent on the Pattullo Bridge and $7,551,098 spent on highways, bridges, and buildings. Most of this expenditure is either directly or indirectly self-supporting.

Private capital has been encouraged to invest in the industries of the Province by being assured of not only sound financial policies on the part of the Government, but a minimizing of labour disputes. B. C. has been kept free of major labour strikes, such as have been experienced elsewhere.

Our basic figures tell the story of the degree to which capital has invested in British Columbia. Production in agriculture, mining, fishing and lumbering has increased by $136,961,000, or 114 per cent, in the last eight years. Manufacturing has increased by $69,619,000, or 100 per cent. Bank debits have increased by $645,600,000, or 69.79 per cent, while the payroll has increased by $93,000,000, or 61 per cent.

Wherever social and financial security interlock, there can be no doubt about the safety of your investments. Buy British Columbia—her economy is diversified, her financial position sound, and her credit rating high. Invest your funds in British Columbia now.

PROVINCE OF BRITISH COLUMBIA
HON. JOHN HART, *Minister of Finance* — Parliament Buildings, Victoria

The Editorial Page . .

Whither Oil Control?

Oil Controller Cottrelle has been making a lot of speeches and issuing a multitude of orders but the Canadian public is still in the dark regarding many of the facts that should be known about the actual oil situation.

The man on the street would like to know just how long he is going to be able to drive his car, how long he is going to be allowed to heat his home with oil. The service station operator would like to know how long he is going to be able to remain in business.

For several weeks last summer the American tourist, whose dollars we must have to buy vital war equipment in the United States, was not sure whether he would be able to get motor fuel in Canada.

Mr. Cottrelle has intimated that we are not saving enough gasoline, has hinted that rationing may be inevitable. One day the motorist is praised for his voluntary curtailment, the next he is told bluntly that he has not done enough.

The Oil Controller must take the responsibility for several confusing regulations. Since last of spring the price of gas has risen as much as 10 cents a gallon or 40%, in some areas but only three cents of this has gone to the government in new taxes. Are we aiming at price rationing or volume rationing? So far the policy is far from clear.

Although orders and pleas for co-operation started to flow from the Oil Controller's office months ago we still lack a definite conservation plan. First enthusiasm for voluntary curtailment of gasoline, through restricted driving, slower driving and "four in one clubs" has worn off. There is less evidence of gas saving on the streets and highways today than there was two months ago.

Surely by this time some definite plan should have been developed, put into operation and made to stick. The Canadian citizen is anxious and willing to co-operate with Mr. Cottrelle, he is fully prepared to make necessary sacrifices, but he is growing decidedly impatient with a vague and piecemeal programme that is almost barren of results.

The Financial Post's Platform For War

1. Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.

2. An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.

3. Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.

4. Pay-as-we-go policy to the very limit consistent with an all-out war effort.

5. Elimination of wasteful spending by public bodies or private individuals.

6. A national programme to deal with post-war employment and relief problems.

Winning the war has become the focus for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice. In turn this will reduce the need for regimentation and compulsion.

Postwar Control

J. S. McLean of Canada Packers did some plain speaking before the Boston Conference on Distribution the other day. He urged the gradual relaxation of wartime control and restrictions when this country returns to peace. Said Mr. McLean:

> As soon as the war is over there will be the makings of a great postwar boom in civilian industries, just as there was in 1919-20. I think the lessons of the last war indicate, however, that governments should not be too quick to relax price and other controls, which could be used effectively to damp down excessive and unhealthy developments of this sort immediately after the war. As far as possible the economic system must be "eased back" to more normal conditions.

To those individuals and industries who are already impatient with the regimentation that must be inevitably associated with any democratic country's attempt to fight a total war, this blunt warning from the head of one of Canada's largest industries may be unpalatable. Yet there is sound reasoning behind it and the course suggested is worth most serious consideration.

At present there are hundreds of thousands of citizens both here and in the United States who are putting aside huge amounts of money they would be normally using for ordinary civilian purchasing. Much of this money is going into heavy extra war taxes that presumably will be relaxed after the peace. Much of it is going into government war bonds and war savings certificates.

These people are doing without new cars, new refrigerators, new homes, travel; goods and services normally associated with what we look upon as a moderate standard of living in normal times.

Until Hitler is beaten there is no complaint over such sacrifices but peace will bring an overnight change. Then the huge backlog of deferred purchasing power created during the lean war years will fall on industry suddenly free of orders for guns, planes and shells. Hundreds of thousands of demobilized service men will return to civilian life, to civilian demands. There will be an inevitable temptation to cash war savings certificates and war bonds. In short, there is the making of a gigantic spending spree.

A new flood of civilian goods cannot be turned out in a few weeks. It will take time to retool factories, to put them into shape after the day and night grind of producing weapons for war. It will be absolutely impossible to make goods fast enough to satisfy any spending splurge. Three or four years of deferred purchasing cannot be caught up in a few weeks.

The result might well be a spiral of inflation similar to that which followed the first Great War when buyers bid fantastic prices for a strictly limited supply of goods. We must plan now if we are to prevent a repetition of that feverish and unhealthy chapter in our history.

Capital Keeps the World Going Ahead

It is evidence of how confused our thinking has become in these days that the word "Capital" is used almost apologetically by its friends and as a word of reproach by its enemies. The words "Capitalism" and "Profit" have also acquired an unpleasant smell as a result of the constant barrage of skunk-oil showered on them by the village cut-ups of the intelligentsia and the philosophical wreckers of the various 'isms.

Dr. Micholas Murray Butler said the other day, "What is called capital is civilization's greatest achievement." Capital, he pointed out, is what is gained by work. It is earnings and savings used to increase further production and to co-operate with others in multiplying that production.

The mother of Karl Marx wrote "If Karl had made a lot of capital instead of writing about capital, it would have been much better." Considering the damage that has been done to mankind by efforts to put into practice Karl Marx's plan for the tyrannical domination of the world by a single class in society, it is clear that his mother was a wise woman.

There is nothing to be ashamed of in work. There is nothing to be ashamed of in saving. There is nothing anti-social in a profit derived from skilful, effective organization and the use of genius, materials and labor in the production of useful articles. Incentives are desirable, necessary spurs to achievement. The world should reward those who advance civilization.

There is a place for leaders in the economic sphere as in the politics, science and education.

One Man to Co-ordinate Defense

United States News, of Washington, asked a number of leading authorities their opinion on the desirability of co-ordinating defense activities in one man, or alternatively vesting those powers in a board.

Some of the answers are pertinent to our situation in Canada, where war production has not yet been put under a single co-ordinating agency headed by a non-political business executive.

H. G. Moulton, president of the Brookings Institution, answered the question:

> "It has been the experience of all countries that sooner or later intensive mobilization for war purposes requires the delegation of vast powers to a single individual. Experience has likewise demonstrated that in delegating such responsibility later rather than sooner, invaluable time is lost."

Alfred P. Sloan, Jr., chairman of General Motors, said:

> "I believe the national defense setup should consist of a board over which is placed a chairman. The chairman should have the same relationship to the board as the chairman of an industrial board of directors has over his board. He exercises the essential leadership. He co-ordinates the thinking of the board. He lays down the policies. If he is the right kind of chairman, the board supports the policies . . .
>
> "The chairman's activities should be confined to the activities of the board. He should have no other responsibilities, whatsoever. In every respect, it is an all-time job."

James W. Gerard, ex-ambassador to Germany, replied:

> "My experience is that a one-man board accomplishes most. I suggest one man as responsible, deciding head, with three or five advisers, they to take up questions for the head, assigned by him, but all decisions to be his."

Dr. J. H. Parmelee, director of the Bureau of Railway Economics, was equally emphatic:

> "We should have authority vested in one man—the right man, a man with broad perspective, great competence and proved executive ability, such as Wendell L. Willkie."

American experience in the last war was that centralized responsibility for war production—including priorities and allied questions — accomplished the best results. It was found too that war production was a full-time job.

No Slimming Here

Aside from some reduction in salmon, cheese and pork supplies, a few food import specialties, and a shortlived consumer-made shortage in sugar, Canadians have not had to pull in their belts so far in this war. And with our abundant and widespread production, our bulging storehouses of wheat, there is little prospect for any compulsory slimming of the whole nation.

This is in striking and happy contrast to the plight of the hardpressed peoples of the Mother country. Their situation is graphically portrayed in the following table, showing percentages of average annual pre-war consumption, as reported by the Oxford Institute of Statistics.

BRITISH FOOD CONSUMPTION
(Prewar annual consumption 100%)

	Fats	Proteins	Carbohydrates	Tea	Total
September 1939	103	88	130	130	103
December 1939	66	70	97	102	80
June 1940	47	58	84	81	68
October 1940	33	40	72	66	51
February 1941	37	38	97	75	59

Even in the first year of the war it will be noted there were serious sacrifices in fats, and consumption of this essential and also proteins has diminished further since. In recent months, fortunately, a speeding up of shipments of food from the United States has helped matters as has also a complete wartime reorganization of food production within the British Isles itself. But no matter how much food is grown in Britain, no matter how much food is available on this side of the Atlantic, slim rations will continue to rule in the Old Land, because of shipping difficulties. Little murmur however, is heard on that score and there should certainly be no grumbling here if at times we encroach on a few lines of domestic supplies in order to make things a little easier on the front line in Britain.

Editorials in Brief

Labor camps in Switzerland are filled with thousands of refugees from the Nazis, recent dispatches point out. Among them are skilled artisans, chemists, engineers, industrialists—exactly the kind of people Canada should be planning now to absorb for help in our postwar expansion period.

* * *

Every general manager of the 10 chartered banks rose from the ranks. Practically all the other senior officials did the same thing. The banks have not only trained their own executives but a large proportion of Canadian business leaders in other fields as well. What can the C. I. O. offer the bank junior in exchange for his present unlimited opportunity for expansion?

* * *

The Bell Telephone Co. of Canada has shown highly commendable foresight in keeping its employees informed of what is happening in the telephone industry so that they, in turn, may tell the public. With more than 500 of its most skilled and highly trained employees in the Services or loaned to the government; long distance facilities taxed to the utmost and equipment supplies limited, it has not been an easy matter for the company to maintain its usual services. In the months to come a subscriber may experience some unaccustomed delay on a call or cannot get immediate delivery of the equipment he desires. A timely word by the well-informed employee will then go far toward public appreciation and understanding.

—Cartoon by Grassick.

WHO BENEFITS?

Post-Scripts . . . .

C-I-L's New Chief

Administering the huge chemical and explosives programmes of Britain and Canada in the Dominion, Defence Industries Ltd., wartime subsidiary of Canadian Industries Ltd., has done an outstanding job. A large measure of the credit goes to George W. Huggett, formerly first vice-president but now president and general manager of C-I-L.

GEORGE W. HUGGETT
—Rice, Montreal.

When the late Rt. Hon. Arthur B. Purvis, former chief executive of the company, crashed to his death in England he left a large gap in public life and the C-I-L organization.

His prominence and the fact the presidency of the company is one of Canada's key industrial posts created considerable interest in the appointment of his successor.

For the past 11 years George W. Huggett has been working at C-I-L House in Montreal, dodging any publicity that might have come his way. As a senior executive of the company he has concentrated very much on the job on hand.

He is fond of quoting the late Lord Stamp, who advised him early in life: "The man who spreads himself too thinly is in danger of becoming ineffective."

Whether this credo has been his inspiration or not, Mr. Huggett has not spread his efforts too thinly. He tackles one task at a time, deliberately and without fanciful speculation.

His business experience has been diversified in function and in nationality. He began in London, Eng., and did the usual stint of junior work.

In 1919 he went to Japan with the Japanese Explosives Co., an affiliate of Nobel Explosives Co., now Imperial Chemical Industries Ltd. He returned to England for two years and went to the United States as representative for the Chile Explosive Co.. He advanced to the position of secretary-treasurer in 1923 and subsequently became a director, with headquarters in Valparaiso.

He moved to C-I-L in 1928 and was appointed secretary of the organization in January, 1929. In 1931 he was named secretary-treasurer; vice-president in 1934; director in 1938 and first vice-president in 1939. He took over Mr. Purvis's job when the latter was granted leave of absence in Dec., 1939, to carry out his wartime duties for the British Government in the United States.

In collaboration with Mr. Purvis, Mr. Huggett established sound industrial relations. C-I-L's successful management and labor relations attest to the soundness with which he performed the job.

Mr. Huggett is also director of a number of smaller companies: Dunlop Tire & Rubber Goods Co., Canadian Safety Fuse Co.; Canadian Lastex Ltd., and Canadian Hanson & Van Winkle Co.

Recently he was elected to the executive committee of the Canadian Chamber of Commerce.

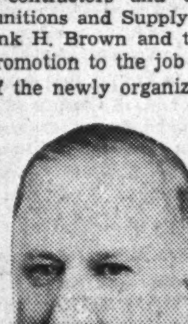
With increased administrative responsibilities he has foregone to a large extent the pleasure of extensive reading. Because of indifferent health he has developed no great prowess in active sports, but confines his outdoor exercise to gardening at his country home. Golf he regards more as a joke for his friends than amusement for himself.

* * *

Contract Scanner

Recognition came the other day to a man who has quietly revolutionized the business relationships between private corporations and contractors and the Department of Munitions and Supply.

The man is Frank H. Brown and the recognition was promotion to the job of director-general of the newly organized Munitions Contracts branch of the department.



FRANK H. BROWN
—Ashley & Crippen photo.

The new department is charged with co-ordination and operation of all systems and handling of business having to do with munitions production. It will look after contracts for all these departments—guns, tanks, shells, ammunition, government arsenals, naval armament and equipment, small arms, etc.

Mr. Brown has had much of this responsibility on his doorstep ever since he became a dollar-a-year government employee on loan from the Bank of Commerce in March, 1941. His knowledge of corporation accounts and business methods came partly from seven years of association with George R. Cottrelle in the industrial reorganization department of the bank. In that time he delved deep into the whys and wherefores of business success and failure. He learned something about untangling corporation red tape, how to get the best results from management, and how to build a sound business structure with a view to both immediate and long-term results.

In Ottawa he's been trying to systematize the contract end of the munitions business—to cut down "slow pay," organize purchase requisitions, co-ordinate the work of individual departments.

* * *

Frank Brown came to Canada from Ireland exactly thirty years ago last week. He actually joined the Canadian Bank of Commerce as a junior clerk in Belfast and was sent to Broderick, Sask., for his first assignment.

His forte was figures and mathematics and his ambition had been to be a mathematics professor. But family finances did not permit. There had also been a chance to go abroad with the famous Chartered Bank of India, Australia and China, but these lands seem very far away. The choice was made for Canada.

Because the manager at Broderick was glad to "let Frank do it," he got a chance to learn quickly and at first hand the principles and practice of Canadian banking. In a couple of years he was moved to Moose Jaw and later to the divisional headquarters of the bank at Winnipeg. He joined the army in the last war as a private but his health broke down. He re-entered the bank in the superintendent's office. In 1926, General Manager S. H. Logan brought him to Toronto to head office. He has been a superintendent there for some years and is on loan from the bank to the Department of Munitions and Supply.

Out of office hours, Mr. Brown is very active in the work of the Canadian Institute of International Affairs. He has been vice-chairman of the Toronto branch and has assisted in many important studies in finance and monetary matters undertaken by that branch.

He inherited a very fine set of vocal cords from his father and grandfather. Friends who invite him out for the evening invariably ask him to bring his music along so they can enjoy his grand baritone voice.

Mr. Brown's eldest boy is finishing his final year in medicine at Toronto, hopes shortly to join the army. He has another younger boy also at school. His family still live in Toronto.

* * *

Introducer

Introducing the man who introduces—Reid Forsee, the man with the longest legs and the deepest voice among all Canadian Broadcasting Corporation producers.

About 35, about six feet five inches tall, about as bald as the proverbial billiard ball, about as suave as an 18th century diplomat, Mr. Forsee is the man who looks after a great many of the big-and little-wigs who makes speeches over the CBC.

REID FORSEE
Photo by Ronny Jaques.

His is the job of seeing that such speakers don't try to say 23 minutes of things in 14 minutes and 25 seconds; that they put their upper plate on the broadcasting desk if it makes them lisp or stutter; that they get their speech into such shape that it offends neither the libel laws nor the ears of the radio audience.

Mr. Forsee handles at least 100 speakers a year, most of them invariably in need of some help or advice in making the best use for radio purposes of their brains and their vocal equipment.

Broadcasts of the Royal visit, speeches by potentates, intellectual or financial tycoons, radio interviews with pundits and prima donnas—all are in his line. Surprising it was to him that he should do a radio interview with two timber wolves, just out of the northern bush, rambling round the little talks studio, all of which was purported to prove that wolves won't attack a human being. Somewhat less satisfactory were the bites and scratches incurred during another radio programme when two racoons insisted on being playful. Another broadcast involved interviewing members of the air force inside the medical research chamber where the temperature was definitely polar—62 degrees below zero.

First-rate radio talkers are rare. Churchill and Roosevelt are the very rare naturals. But Mr. Forsee maintains—and his record proves it—that given time enough, and the co-operation of the speaker nearly everybody with anything to say can find out how to say it acceptably for radio.

There's a big difference between being keyed-up and being frozen, he points out. You need the first for a radio talk that will please and hold listeners, but, he says, the second is just plain bad: distorts the voice, puts knots in the speaking apparatus and transmits jitters to the audience.

After handling so many scores of individuals, Forsee has his own little system. He spends up to 10 hours with a speaker polishing him and his speech for a 15-minute broadcast. He walks some nervous speakers all over the studio; he flatters others. Sometimes he is blandly nonchalant and matter-of-fact. Twice in his eight years of radio, he says, rudeness worked wonders:

> "They thought they were pretty hot. I told them their script was bilge and they talked as if they had a mouthful of peppermints. They got worried, wrote a new speech, perked up and were so mad at me they did a swell job."

Around radio circles, he has, in addition to his other qualifications, a large reputation for getting first-rate and spontaneous-sounding broadcasts out of a group of children.

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Other People's Views . . . .

The Canadian Editorial of the Week

To Check Inflation
Montreal Standard

The restriction on installment buying announced today by the Government is one of the steps badly needed to preserve supplies of essential materials for our war industries and to head off price inflation in this country.

The development of Canada's war economy has reached a stage where there are simply not enough materials of many kinds available both for our war production and civilian production. Our war industry has expanded to an extent that few Canadians really grasp. And at the same time rising purchasing power is causing a sharp increase in civilian demand for many goods.

War and civilian demands cannot both be met. We all know which must come first. Therefore the only course is to cut down the supplies being diverted to the private use of people in Canada. The only way to do that is for the government to apply compulsory restrictions on the supplies of materials being used for other than war purposes.

If the demands from the public are to be allowed to exert unchecked pressure the inescapable result will be price inflation. Already wholesale prices have risen to an alarming extent. Quick, decisive action by the Government is essential if the price rise is not to accelerate into a roaring inflationary spiral.

The people of Canada are ready to make the personal sacrifices necessary. They would do still more, voluntarily, if the Government could explain to them emphatically and vividly what they should give up and why. That is a side of our public education problem in Canada that needs active attention.

As Others See Us

Inviting Trouble
Sault Ste. Marie Star

The man who publishes a book is inviting trouble. Just now the Toronto Financial Post is quoting from Mr. Mackenzie King's writings the drastic things he said about strikes in the last war and it declares that Mr. King "has not said a word in this war about the mischief of war strikes or rebellious labor tyrants, half as strong as he said in the last war when he had no authority, no responsibility to act."

* * *

Overworked Ministers
Ottawa Journal

A Toronto paper thinks it "a truly pitiful spectacle" that a Dominion Cabinet Minister holding an important portfolio should be taking a two-weeks' vacation. Very unfortunate, truly, but the really "pitiful" thing is that some Cabinet Ministers have for two years been subject to continual worries beyond the physical and mental capacity of ordinary human beings to endure.

* * *

Then and Now
Charlottetown Guardian

The Financial Post recalls that twenty-three years ago, when Canada was at war, an industrial relations student by the name of W. L. Mackenzie King had some strong things to say on the subject of strikes. "The method of the strike and lockout," Mr. King wrote in Industry and Humanity, "is not distinguishable from the method of Force." The war had revealed the hideousness of Force and the anguish its use might bring. Was the lesson to be taken to heart, asked Mr. King, or was the sacrifice of the world's young life to be in vain?

Mr. King's volume was an argument for conciliation as a preventative of labor troubles. Like most theoretical books, it fell short of telling what should be done in those particular cases where the theory failed to work; when the common interests of the community were defied by truculent mischief-makers.

* * *

Should Sink In
St. Catharines Standard

Perhaps this is beginning to sink in, far and wide, throughout this Dominion. The Financial Post says "there is no reason for the word conscription to frighten anyone half as much as the alternative, the grave risk of losing the war." And if we lose the war, what kind of national unity will the country have then?

* * *

The Blot on Our Record
Listowel Banner

In an editorial under the above heading The Financial Post struck out against the selfish destructive strikes that marred Canada's week of reconsecration. The Post said that almost all of Canada's war strikes are "called for one primary purpose: to build up the power of the racketeering type of labor union organizer; in an effort to destroy respectable labor leadership and raise left-wing Bolshevik labor leaders to power." We believe that the most of our readers will agree with that statement.

* * *

Saving Millions
Weston Times & Guide

In this as in every other war are complaints that those engaged in the manufacture of munitions and other war material are receiving enormous profits, that millionaires are being created at the expense of the taxpayers. In the Great War similar charges were heard, and in some cases not without justification.

The matter is referred to in a late issue of The Financial Post, not in the way of a defense of any individual or corporation, but rather as a plain statement of fact. A visit to some of the munition plants would enable those who complain to "discover that our industrialists are slashing hundreds of millions off war costs, simply by utilizing technical methods that the heads of the fighting services and other government departments never heard of," says The Post.

A number of examples are given to show how great savings are being effected.

In presenting such information to the public The Financial Post is doing a good service.

* * *

Stop Me If . . . .

Recently a Canadian editor was in a gun plant where extremely fine tooling operations were being carried on.

"What are your tolerances on this job?" he asked a man at a lathe.

"One five thousandth of an inch," replied the workman.

The figure conveyed little to the editor. He asked, "How fine is that?"

The workman, too, seemed puzzled. He called to this neighbor on the next machine: "Bill, how many five thousandths are there in an inch?"

Bill scratched his head. "Gee, I don't know. But there must be millions of them."

Sayings of the Week

"In Britain today you really see democracy on the march."—*Col. George A. Drew.*

* * *

"Speaking is not my vocation and political life is not my ambition."—*Charles Augustus Lindbergh.*

* * *

"We must give up living and spending as usual if we are to do our share in winning the war."—*J. L. Ilsley, Minister of Finance.*

* * *

"Free peoples are again co-operating to win a free world and no tyranny can frustrate their hopes."—*John Winant, United States Ambassador to Great Britain.*

* * *

"There is not an industrial dispute worth mentioning in Britain. Yet, not only are the great trade unions intact, but they are stronger than ever."—*Ernest Bevin, British Minister of Labor.*

* * *

"In this war, we have no illusions about the strength of the enemy or the length of the war. We have freely made our choice and we propose to abide by the issue with all free men until the end."—*L. W. Brockington.*

* * *

"Conscription has now become more than mere military service. It has become a symbol of confidence in democracy itself. In Britain it has done more to bring all classes together, to create a common sense of responsibility and citizenship, than had been accomplished in the previous two decades."—*Beverley Baxter, M.P.*

The Week in Business

Current business in good volume. D.B.S. index of business activity for week ended Oct. 4, 6% above last year though lower than in previous week owing to seasonal decline in railroad carloadings, and lower bank clearings and stock market transactions and prices.

Payroll Index of Canadian Bank of Commerce for August 172, up 2 from July and compared with 133 for August, 1940.

Railway carloadings for week ended Oct. 4 higher than in corresponding week last year, with total for 1941 to date up 14%.

Railway gross traffic earnings in first week of October, 1941, to October 7, well above previous year, for both roads.

Flour exports show gain of about 20% in September, compared with year ago. Total for nine months up 82%.

Wheat exports in September up 18% from last year. Total for year to Sept., 1941, 44% higher.

Employment indices as at Aug. 1 higher than in previous month and last year.

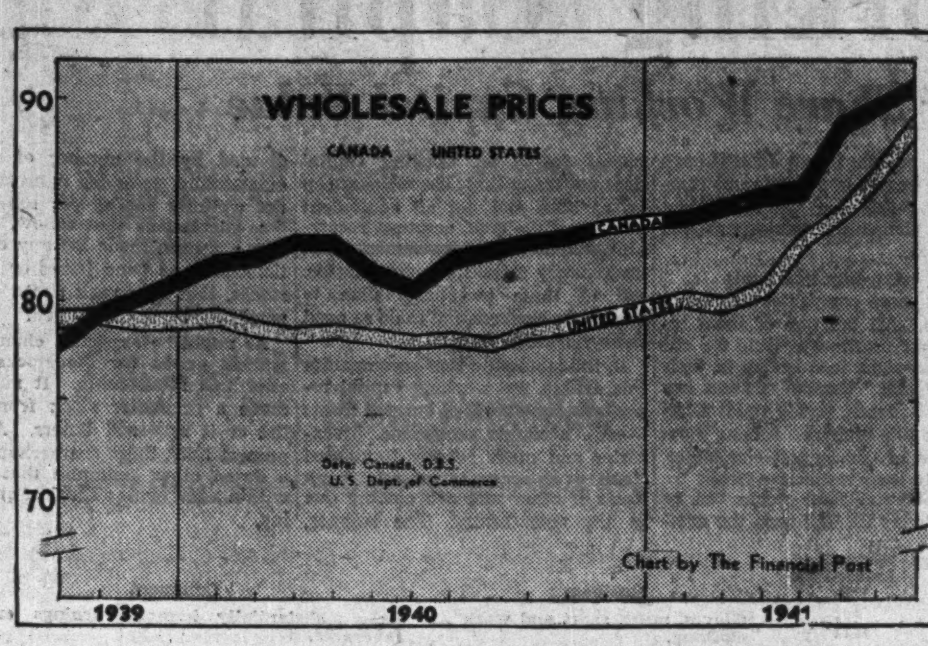
Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus *.

	Oct. 4	Sept. 27	Sept. 20	Sept. 13	Oct. 5/40
TREND OF BUSINESS—					
Weekly index of business, D.B.S.	111.7	113.2	116.1	116.5	105.3
Commodity prices, index no.	93.3	92.8	92.7	92.4	83.0
	Sept.	**Aug**	**July**	**June**	**Year Ago**
The Financial Post business index	.....	*162.5	158.9	155.1	142.9
National Income, D.B.S.*	....	442.0	448.8	436.1	404.0
Retail sales index no.	....	146.4	134.7	134.3	119.8
Dept. store sales index no.	....	145.8	132.5	123.1	116.6
Wholesale sales index no.	....	156.3	146.6	140.6	123.4
Country store (% change pr. yr.)	....	+11.3	+13.2	+5.2	+9.8
*Div'd. payment index	118.4	118.6	118.4	119.3	122.0
COST OF LIVING—					
D.B.S. index	114.7	113.7	111.9	110.5	106.4
EMPLOYMENT INDEX Nos., D.B.S.	**Aug. 1**	**July 1**	**June 1**	**May 1**	**Year Ago**
*All industries	160.6	157.4	152.9	145.5	127.9
*Manufacturing	176.9	172.5	168.0	162.3	134.4

	1941	1940	Jan. 1 to date 1941	Jan. 1 to date 1940	% Change
RAILWAYS—					
*Carloadings (week Oct. 4)	68,033	63,578	2,404.130	2,108,848	+14.0
*C.N.R. gross (week Oct. 7) $	6,252,611	5,001,138	226,564,642	183,417,049	+23.5
*C.P.R. gross (week Oct. 7) $	4.149,000	3,694,000	162,606,000	125,542,000	+29.5
C.N.R. net revenue (Aug.) $	5,171.732	3.668.181	42.196,254	24,040,849	+75.5
C.P.R. net revenue (Aug.) $	3,146,005	2,263,597	26,261,119	17,304,434	+51.7
IRON AND STEEL—(August)—					
Pig iron production (tons)	105,795	88,885	833,351	734,436	+13.4
Steel ingots and castings prod. .... (tons)	202,746	172,210	1,548,497	1,300,033	+19.1
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Aug.)	4,333	2,755	68,726	76,999	—10.7
Factory output .. (Aug.)	3,160	1,510	72,208	77,086	—6.3
Trucks and Buses:					
Domestic sales* .. (Aug.)	2,889	2,244	26,660	21,417	+24.5
Factory output .. (Aug.)	14,032	12,483	122,509	62.321	+96.6
Financing:					
Used .... (Aug.) $	4,172,626	3,740,564	38,458,062	29,606,637	+29.9
New .... (Aug.) $	2,447,964	1,973,436	28.615,207	23,886,974	+19.8
CONSTRUCTION—					
Contracts awarded . (Sept.) $	39,363,800	52,260,000	322,909,100	247,749,000	+30.3
Cement prod. bbls. (June)	959,000	929,000	3,351,746	2,727,862	+22.8
AGRICULTURE—					
Flour prod., bbls. .. (Aug.)	1,852,139	1,291,451	13,985,964	10,081,998	+38.1
*Flour exp., bbls. .. (Sept.)	661,014	550,754	9,481,375	5,192,380	+82.6
*Wheat exp., bush. .. (Sept.)	11,341,041	9,499,854	144,429,658	100,470,813	+43.7
*Cattle sales .... (Sept.)	149,742	115,444	845,444	788,455	+7.2
*Hog sales .... (Sept.)	522,104	413,207	4,319,717	3,436,840	+25.6
SEA FISHERIES—‡					
Catch cwts. .... (Aug.)	1,794,800	1,336,300	7,070,600	7,492,000	—5.6
Landed value ...... (Aug.) $	4,991,500	2,975,000	17,495,830	12,730,200	+37.4
NEWSPRINT—					
*Production, tons .. (Sept.)	298,276	282,322	2,505,947	2,573,605	—2.7
Exports .... (Aug.) $	13,180,000	14,341,000	99,290,357	95,641,845	+3.8
MINING AND OILS—					
Coal prod., tons ... (Aug.)	1,356,917	1,398,145	11,002,960	10,916,798	+.08
Coal import, tons . (Aug.)	2,702,485	2,298,531	11,370,179	11,576,452	—1.8
Gold rec., fine oz. . (Aug.)	430,878	444,033	3.423,941	3,290,803	+4.0
Crude oil, imp. gals.† (Aug.)	....	....	1,007,200	904,216	+11.4
ELECTRIC POWER OUTPUT—(August)—					
Total monthly, 1,000 kw.h.'s	2,640,084	2,500,179	21,033,614	20,083,914	+4.7
FOREIGN TRADE—♦					
Imports ... . (Aug.)	$137,913,470	96,835,858	910,905,229	682,432,876	+33.4
Exports .... (Aug.)	$150,494,256	111,359,567	1,041,710,418	766,533,766	+35.9
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (Aug.)	261,132	281,529	1,435,686	1,511,451	—5.0
*Shoes, prod., pr. .. (Sept.)	2,965,637	2,382,680	20,806,300	16,969,649	+22.7
Cotton consump., lb. (Aug.)	14,595,435	16,200,326	130,124,004	127,212,049	+2.2
Raw rubber imp. lb. (Aug.)	....	....	88,962,399	62,022,360	+43.4
Cigarette cons., No.† (Aug.)	816,691	620,889	5,397,536	4,967,781	+8.7
Sugar manufactured .. lb.§	99,232,363	71,339,246	666,493,637	620,345,592	+7.4
FINANCE—					
Bank debits† ...... (Aug.) $	3,149,791	2,457,706	25,201,597	22,081,944	+14.1
*Bond sales† .... (Sept.) $	62,448	401,159	1,530,674	1,742,986	—12.2
Life insurance sales (Aug.) $	29,597,000	24,698,000	261,044,000	241,225,000	+8.2

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
Total at yards and plants. New items for week marked *
†000's omitted. §For four week to Sept. 6. ♦Gold excluded.
Millions of dollars. *Final. Supplied by Nesbitt, Thomson & Co.

One Factor That Points to Inflation



Wholesale prices in both Canada and the United States have shown substantial increases since the beginning of 1941, the rise in that period being sharper than in the 16 months preceding. This advance is one key reason many people in both countries fear inflationary forces are getting too strong.

The chart shows how the general level of prices in Canada soon after the beginning of war passed that in the United States. With the exception of a decline in the spring of 1940 when Germany invaded the low countries and France fell, they have worked gradually higher, the move being more pronounced in Canada than in the United States. One reason for the higher price level in Canada is that this country is at war and the discount on Canadian dollars in terms of U. S. currency tends to make many prices in this country higher.

Reducing Plane Types to Six

Canada to Concentrate Plane Building Energies

By RONALD A. KEITH
Editor, Canadian Aviation

A concentration-of-energy policy for the aircraft manufacturing industry has been announced by Ralph Bell, Director-General of Aircraft Production.

Ideally, this policy calls for lopping the present 12 types of aircraft being produced to six. It also eliminates the possibility of the Canadian industry seeking ambitious new ventures such as aircraft engine manufacture.

Today Canada is building these 12 types:

Tiger Moth (elementary trainer). Harvard (advanced trainer, single engine). Fleet Fort (advanced trainer, single engine). Avro Anson (twin-engine trainer) Consolidated PBY (reconnaissance) Stranraer (reconnaissance), Hurricane (fighter). Bolingbroke (bomber). Hampden (bomber). Martin B-26 (bomber). Norseman (flying classroom). Lysander (army co-operation, also target towing).

Mr. Bell proposes scaling this down to the following six:

Elementary trainer (Probably the Moth will eventually be succeeded by the Fairchild M-62, a low-wing monoplane which at first is to be supplied from the U. S.).

Advanced trainer, single engine, Harvard.

Advanced trainer, twin engine, Anson.

Reconnaissance plane, Consolidated PBY.

Fighter Hurricane now, a newer type soon.

Bomber, probably the Martin B-26, although the possibility of undertaking a four-engined British bomber is not yet ruled out.

Mr. Bell Explains

Speaking at the recent National Industrial Advertisers' Association convention in Toronto, Mr. Bell elucidated his policy this way:

"As our stock of trainers increases, we may be able to switch our production to some type of service aircraft such as a second fighter or a general utility transport ship; but never at one time should we be building more than six types in this country and those six should be selected to provide for both our training and our own defense as well as contributing to the needs of England or some other part of the fighting front."

Is Making Parts

Though limiting its types the industry has been expanded in scope to enter the propeller manufacture and aircraft instrument fields. By next spring Canada should be practically self-sufficient in the supply of these important components.

By next June, for example, a Canadian plant will be producing Hamilton Standard metal propellers at the rate of 200 a month. Meantime, wooden propellers are now being turned out, for Ansons, elementary trainers, etc., at the rate of over 100 a month. Plans call for production also of impregnated hardwood propellers which are popular in England.

Great pressure has been bearing on the government to make the Canadian aircraft industry completely self-sufficient by setting up plants for manufacture of aircraft engines. It has been argued that if we don't do it now, it never will be done, that without engine facilities our industry will be dependent on its competitors after the war and also that if we don't prepare to make engines we are likely to be caught short.

Hard, Bitter Facts

The engine question simmers down to a few hard facts, relating to skill, cost, machine tools and markets.

To build engines we need an army of highly skilled technicians who can work to exceedingly fine tolerances. We haven't got enough of them. We need millions of dollars worth of machine tools. They can't now be purchased.

A set-up to build Pratt & Whitney or Wright radial engines at 400 per month would require an estimated investment of $50 millions including working capital, and a force of 8,000 trained men. The training of these men would cost about $3 millions. Machine tools would cost about $15 millions, most of them coming from the United States.

When the authorities approached the American manufacturers with a request for machine tools, Mr. Knudsen advised them to forget about it, in exchange for an assurance that engine requirements would be met with deliveries from the U. S. manufacturers.

Food, Clothing Licensed from December 1

December 1, 1941, has been fixed by the Wartime Prices and Trade Board as the date by which all persons or firms—manufacturing or dealing in food, feeds, livestock, poultry, yarn, cloth, clothing or footwear must secure a license. After December 1, no unlicensed person or firm may buy for resale, handle or sell any of those commodities.

While an individual farmer, gardener, livestock or poultry producer, or fisherman, is not required to secure a license unless he buys for resale, all co-operative buying, selling, or marketing organizations and hucksters or drovers, who, on their own account, buy for resale or handle the produce of any primary producer, must obtain a Wartime Prices and Trade Board license.

After December 1, when any of the commodities named in the licensing order are bought for resale, both the seller's and the buyer's license numbers must be marked on the sales slip, invoice, or other document which records the sale.

For Storage Too

Warehouses and cold storage plants also come under the Board's licensing plan. After December 1, persons who are subject to the licensing order may not store any article of food, feed, clothing or footwear until they have secured a license, and no warehouse or storage plant operator will be permitted to accept such commodities unless the number of the storer's license is marked on the document recording the acceptance. None of these commodities can be withdrawn from cold storage or a warehouse for resale unless the person making the withdrawal is licensed by the Board and unless the document recording the release carries his license number. All warehouse and cold storage plant operators must, of course, themselves be licensed.

"These restrictions are not designed to curtail business operations in any way," declared C. R. Morphy, director of licensing. "But by placing every person who in any way handles the commodities named in the order under license, the Board will have the machinery with which to make speedy checks on available stocks and to police more effectively any price fixing order which may be instituted."

Individual persons storing small quantities of the commodities named in the licensing order strictly for their own use, are not required to obtain a license. If these stored stocks are, however, being kept for resale, their owner must secure a license.

In the Board's licensing order the following classes of persons, firms and corporations are required to secure a license by December 1, 1941:

"Every manufacturer, processor, blender, packer, importer, exporter, wholesaler, jobber, retailer, manufacturer's agent, broker, commission merchant, auctioneer, warehouse operator, cold storage plant operator, co-operative buying organization, co-operative marketing or selling organization, producer who buys and sells the products of others, drover, huckster, or other persons who buys the products of agriculture for resale, custom tailer, shoe repair shop operator, public eating place operator, or other dealer, who buys, sells, stores, ships, transports, distributes or otherwise deals in food products, aerated or mineral waters, mill feeds, feeds for livestock or poultry, clothing, headwear, yarn or cloth of cotton, linen, wool, silk, artificial silk or rayon, wool or cotton blankets, fur goods, hosiery, footwear, or boot and shoe findings."

SUGGESTIONS FOR INVESTMENT

The personal requirements of the individual in investment matters constitute an important feature of our investment service. This service is available without obligation at any of our offices.

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LIMITED
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TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

Investment Securities

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Offices at Toronto, Montreal, Ottawa, Hamilton, London.
Correspondents in New York and London, England.

THE LONDON & WESTERN TRUSTS COMPANY LIMITED
London Windsor Toronto
Winnipeg Saskatoon Vancouver Victoria

Fraser Salmon Threat Seen

From Our Own Correspondent

VANCOUVER.—The day may not be far distant when plans must be made for facilitating the movement of Pacific salmon up the Fraser River by means of ladders or some other artificial aid.

The salmon pack this year in British Columbia will be a big one—probably the biggest in six years—and there is no doubt that Britain's requirement will be met by the packers; but the salmon travels in four-year cycles and for that reason the satisfactory condition this season is no guarantee of future results.

This year conditions in the Hell's Gate section of the Fraser River, where the fish must move upstream to the spawning grounds through a narrow channel of white water, have been unfavorable and it is feared that a vast number of the salmon were unable to reach the ground where they habitually leave the eggs that will eventually produce the fish that comprise the Fraser River pack of 1945.

The situation at Hell's Gate, which first arose in 1913 as a result of a rockslide during construction of the Canadian Northern Railway, is believed by some authorities to have deteriorated in recent years. It might be remedied to some extent by blasting away rock obstructions, but that in itself might result in serious diversion of the salmon run, for the salmon is a wary creature and might avoid unfamiliar environment.

The International Commission composed of Canadians and Americans has been making a thorough survey of the situation this year. It recognizes the problem as being extremely complicated and its recommendations will be governed accordingly.

Preservation of the Fraser River fishery is of very great importance, for not only is it regarded as one of the chief sources of salmon in the Pacific, but in an economic sense it is believed to be capable of producing $30 millions a year for packers and fishermen if the movement of salmon is permitted full freedom.

Paramount Pictures Consolidates Debt

Paramount Pictures Inc. is offering holders of its $12.7 millions of 3¼% convertible debentures, due March 1, 1947, and holders of its bank and other notes to the amount of $7.4 millions, an exchange for an equal principal amount of new 4% debentures, due Sept. 1, 1956. The 3¼% debentures exchanged under this offer are not to be reissued.

The new 4% debentures will not be convertible and will be unsecured. They will be limited in amount to $25 millions but the company states it is issuing at present only $20 millions under the exchange offer.

Tobacco Taxation Ruled Valid

Supreme Court Declares New Brunswick Can Collect Levy

New Brunswick's tax of 10% on tobacco sales has been declared valid by the Supreme Court of Canada, dismissing the appeal of Atlantic Smoke Shops from judgment of the Appeal Division of the Supreme Court of New Brunswick.

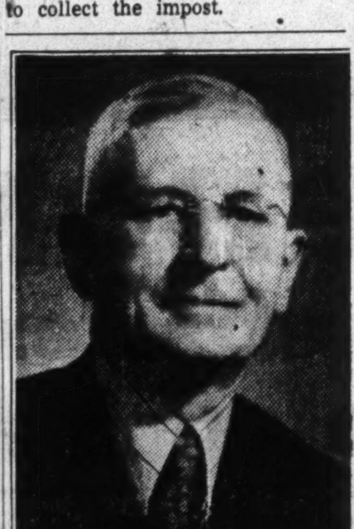
New Brunswick was the first province to levy the tobacco tax by its Tobacco Tax Act, which came into force in October, 1940. The tax applies to all sales within the province and any resident of the province is required to report and pay the tax on any tobacco brought into the province.

Establishes Tax Validity

Atlantic Smoke Shops, Saint John, took action against the attorney-general of the province and a special case was made to determine validity of the act.

The New Brunswick Appeal Court held the province was privileged to impose the levy and the company carried the case to the Supreme Court.

The Supreme Court decision establishes the validity of the tax, also assuring Quebec of its right to collect the impost.



GOLDEN ANNIVERSARY

J. B. Churchill is vice-president and general manager of International Correspondence Schools in Canada which is celebrating its 50th anniversary this week. This institution has a student body of over 100,000 in various parts of the British Empire and the United States, has enrolled more than four million since it was founded. Present establishment consists of 26 separate schools with a staff of over 200 full-time instructors.

War Activity Makes These Papers a "Must" On Every National Advertising Schedule

CLASS "A" WEEKLIES OF CANADA

Results of war-time production and the spending power of training camps have brought new buying power to the majority of towns across Canada. Every community in the 41 Class "A" weekly markets has its success story.

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In these progressive communities, Class "A" Weeklies, known for the leadership they give in local affairs, all conform to 13 important standards of membership concerning the annual retail sales in the trading areas, and the circulation, size and quality of the newspapers.

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*Bowmanville Statesman
*Brampton Conservator
Cobourg Sentinel-Star
Collingwood Bulletin
Dunnville Chronicle
Fort Frances Times
*Hanover Post
*Kincardine News
*Kirkland Lake News
Leamington Post & News
*Listowel Banner
*Midland Free Press
New Liskeard Speaker
*Newmarket Era
*Orangeville Banner
*Orillia Packet & Times
*Pembroke Standard-Observer
*Perth Courier
*Picton Gazette
*St. Marys Journal-Argus
*Simcoe Reformer
*Tillsonburg News
Walkerton Herald-Times
SASKATCHEWAN
N. Battleford Optimist
Yorkton Enterprise
ALBERTA
Peace River Record-Gazette
BRITISH COLUMBIA
*Chilliwack Progress
*Kamloops Sentinel
*Kelowna Courier
*Penticton Herald
*Vernon News

*Members Audit Bureau of Circulations; others have made application and await their first audit.

SHE'S HOLDING down her first job . . . and really thrilled about it. She doesn't know it yet, but she's slated for early promotion (and higher pay) because her work is *better than average*, her letters *worthy to represent the firm*. There are two reasons for that. First, she strives to make every letter perfect . . . Second, her typewriter is the world's finest—a new Royal, with MAGIC* Margin, Touch Control*, Locked Bob-less Shift and many other improvements *found only on Royal*. We invite you to test the new Royal in your own office . . . by your own standards . . . for *Royal challenges* comparison with *any other typewriter!*

Royal is the world's largest organization devoted exclusively to the manufacture of typewriters.

*Trade Mark.

ROYAL
PORTABLE and STANDARD
TYPEWRITERS
Made in Canada
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Send for Royal's FREE BOOKLET "How to Make Every Letter Better". It's full of helpful information for secretaries and executives. Use the coupon.

Royal Typewriter Co., Ltd., Dept. F
7035 Park Ave., Montreal.
Please send me a free copy of "How to Make Every Letter Better". I incur no obligation.
Name
Address
Firm

BUY WAR SAVINGS CERTIFICATES AND WAR SAVINGS STAMPS

"Bargains" in Working Capital

20 Canadian Stocks Selling Under Per Share Working Capital Value

By ARTHUR D. ELLWOOD
Investment Editor, The Financial Post

There are many points to consider in determining whether or not a particular security is one that you, as an investor, should buy.

You should consider earning power and dividends; you should examine the management and the type of industry in which the company is engaged.

You should also consider financial position. Ability to weather any storms that may be ahead, to take advantage of business opportunities, to maintain dividends over periods of lean earnings—all these may be determined in large measure by financial strength.

Price of a stock on the market is the result of investors appraising all these—and other—factors and determining how much they are willing to pay for the stock or what they are willing to sell for if they are already shareholders.

Selling Below Line

Right now the market price of 20 stocks—all listed on Canadian stock exchanges—is less than the equivalent of net working capital per share on the stock concerned. It means that buyers get the company's plant, goodwill, land, management, earning power as a bonus. They pay less than the amount arrived at by dividing the number of shares by the amount of current assets less current liabilities.

Probably there are reasons for such conditions. They may be due to relatively low stock market prices as a whole—a factor undoubtedly playing a large part under current conditions. They may be due to some unfavorable factor in the position of the company itself. In an important scale they may be due to inactive markets which affected the particular stock more than the average.

But the fact remains that investors can go into the stock exchange and buy shares of 20 different companies for less than the equivalent of these companies' working capital per share.

Twelve Pay Dividends

All of these companies are going concerns. All but one of them reported net profits available for the particular stock in question in their latest reports. Twelve of them are paying dividends, giving yields ranging up to 10% or more. Among them are some of our largest companies, leaders in their respective fields.

The fact that these stocks can be bought today for less than the companies report as working capital does not mean that shareholders can go at once and get an equivalent amount of the cash, accounts receivable, inventories or investments that customarily make up current assets. All of these companies plan to remain in business and to do so need their working capital.

In the tabulation that accompanies this article, net working capital represents the excess of current assets—cash, accounts receivable, inventories and other readily liquidated items over accounts payable, bank loans or other amounts coming due in the near future. The balance, divided by the number of shares outstanding, gives the equivalent of net working capital per share. In the calculations that follow, provision has been made for any obligations, such as bond issues or senior stocks, that may rank ahead of the particular stock considered.

As might be expected, changes in market prices for the stocks may alter this relationship. It may remove a particular stock from this list or it may add others. At the present time, there are perhaps half a dozen other examples that come within a few cents a share of qualifying.

Company	Stock	Recent Price $	— Working Capital — Total $	*Per Share $	Latest Earnings Per Share $	Div'ds Paid Latest Year $	Business	Comment
Acme Glove Works	Com.	1½	850,481	5.85	0.47	nil	Gloves, mitts, sport and work clothing.	Sales substantially higher; earnings outlook favorable.
Amalgamated Electric	Com.	7½	693,790	8.22	0.95	0.25	Electrical apparatus and equipment.	War results in heavy demand for products although future said uncertain; 25c. paid Aug. 30.
W. D. Beath & Son	Class A	4	426,479	4.26	0.90	nil	Steel containers, truck bodies, road-making equipment.	Capacity operations for 1941 should aid earnings and liquid position; $16.60 arrears at Dec. 31, 1940.
Beatty Bros.	Class A	7⅝	4,887,639	8.23	4.12	nil	Farm and household equipment.	Position better last year and dividend on class A possible. Substantial war orders.
Brewers & Distillers	Com.	4¾	3,031,604	5.25	0.65	0.75	Beer and whisky.	Earned 30c. in first half against 24c. in 1940 period.
Chateau-Gai Wines	Com.	3½	688,027	6.03	0.37	0.40	Domestic wines.	Early 1941 sales about equal to 1940; less foreign competition.
Cockshutt Plow	Com.	5½	4,259,551	14.17	0.78	nil	Farm implements.	Substantial war production but export markets disturbed; dividend prospects uncertain.
Canadian Converters	Com.	17½	631,341	36.42	3.28	2.00	Shirts, underwear, dresses.	Capacity operations in 1941; dividends expected to continue.
Canadian Cottons	Com.	100	6,865,289	117.98	12.23	6.00	Cotton and rayon yarns and goods.	Record production levels in recent months. A leader in textile industry.
Can. Industrial Alcohol	Class A	3	3,746,055	3.79	0.20	0.15	Industrial alcohols; potable spirits.	Nine mos. net 28c. against 9c.; heavy war demands for alcohol.
Canadian Wallpaper	A & B	8	1,298,718	8.50	1.18	1.00	Canada's biggest wallpaper maker.	Overseas markets disturbed; domestic demand good.
Dominion Stores	Com.	6	2,156,525	7.70	0.36	nil	Grocery and meat stores.	Sales up in first half and profit earned against loss last year.
Humberstone Shoe	Com.	11	424,153	21.07	0.28	1.00	Specializes in children's shoes.	Higher costs more than offset gain in sales.
Massey-Harris Co.	Pref.	53½	22,788,904	101.64	6.66	nil	Farm equipment.	Arrears plan before shareholders; 1941 net expected much higher.
Monarch Knitting	Pref.	55	846,081	112.82	6.25	7.00	Knit goods, lingerie, hosiery.	Producing at capacity; 1941 earnings ahead of last year; arrears $57.92.
National Sewer Pipe	A	8	883,706	31.83	d0.07	nil	Vitrified clay products.	Losses since 1932; depends on municipal works projects.
Riverside Silk Mills	A	14	433,521	14.45	1.78	2.00	Silk, rayon, nylon yarns.	1941 operations hold last year's level; silk supplies cut off.
Sarnia Bridge Co.	A	6½	151,364	12.61	1.18	nil	Structural steel.	Volume of business up this year; some war work.
Standard Chemical	Com.	11½	998,119	26.78	1.47	1.25	Alcohols, acetic acid, acetone, charcoal, etc.	New war product this year; heavy demand for products.
Walkerville Brewery	Com.	1	383,808	1.02	0.03	0.05	Brewing.	Export business increasing; domestic business largely in Ontario.

d—Deficit.
*Working capital is taken from the latest available balance sheets. Where a bond issue, or other senior security, is outstanding, it has been deducted before calculating working capital per share.

St. John Dry Dock Work Well Ahead

From Our Own Correspondent

MONTREAL.—Record progress is being made in construction of the second dry-dock of Saint John Dry Dock and Shipbuilding Co. At present rate of progress, it is anticipated the new unit, which is smaller in size than that already existing, will be ready for operation early in December.

The company is now finishing work on its corvette-building programme and has started in on the building of cargo vessels for Wartime Merchant Shipping Ltd.

Advertisers and Public Morale

"More Important Part in New Economic Picture"

From Our Own Correspondent

MONTREAL.—Nothing could be more injurious to business than for merchandisers to think it unnecessary to push sales through advertising because a "seller's market" has developed, according to a bulletin sent to its members by the Better Business Bureau of Montreal.

After drawing attention to the strengthening of consumer purchasing power and the restricted output of certain merchandise, needed by the armed forces, the Bureau says:

"The right kind of advertising is needed now more than ever. Changing markets are being created because of employment in war industries. The advertiser's good customers of yesterday may find their spending power reduced tomorrow. New potential customers, with increased purchasing power, are being developed as a result of the war effort. Increased demands for military goods are creating a growing list of substitutes.

Has Twofold Problem

"So the advertiser is confronted with the twofold problem of holding his old customers and selling potential new ones. Furthermore, consumers are groping in the dark. Many are 'jittery' and unjustly critical of business. Advertisers must take consumers into their confidence and tell them the facts. The skeptical buyer demands more information in advertising. He must be informed of necessary substitutions and the reasons for them.

"Advertising is destined to play a more important part in the new economic picture. But it must be true, accurate informative advertising. Under highly competitive merchandising conditions, some advertisers try to condone sharp practices on the grounds that they are necessary to secure business. This is a shortsighted policy at any time, but in periods of shortage, it is more unsound than ever.

"This Bureau insists that misrepresentation, exaggeration, bait advertising and other confidence destroying practices are unnecessary, uneconomic, and—unpatriotic too. Advertising must play a leading part in the whole programme by creating and maintaining public morale."

Trans-Canada Traffic Climbs During August

August figures released by O. T. Larson, vice-president, Trans-Canada Air Lines, continue to show airline traffic at high levels.

There were 9,284 passengers carried, 84 more than in July. Airmail totalled 129,427 pounds, 184 pounds more than in July. Air express was 21,869 pounds compared with 20,397 in July.

Distillers-Seagram Reports Capital Change

Distillers Corp.-Seagram's Ltd. reports 100 additional shares of common stock have been issued at $22 a share, in accordance with the Schwengel option, making the total number of common shares outstanding 1,753,045.

At the same time the company advised that during September it purchased for retirement and cancellation on account of sinking fund, 960 shares of the company's preferred stock, reducing the number of shares outstanding to 156,110.

General Electric Men Promoted

H. A. Gadd, for the past seven years manager of Carboloy and Metals Products for Canadian General Electric Co. Ltd., has been appointed general superintendent of the company's gun carriage plant at Peterborough.

Mr. Gadd's promotion to this position comes after almost 20 years of experience with Canadian General Electric, beginning with his initial job at the company's Davenport works at the age of 19.

Mr. Gadd has been manager of Carboloy since it was introduced by Canadian General Electric in 1934.

Succeeding Mr. Gadd is Charley Neal, who has been in charge of sales of this product. Both Mr. Gadd and Mr. Neal are members of the professional engineers of Ontario.

Bowaters Gets Share Of N.Z. Newsprint Order

From Our Own Correspondent

MONTREAL.—Cabled dispatches from the Antipodes to the effect that Canada would supply under contract the entire New Zealand demand for newsprint for at least another four years, is not according to the facts.

According to Bowater's and Lloyd's Sales Co. this statement is inaccurate, inasmuch as at the time the contract was made, part of it was placed with mills in Great Britain. Most of this allocation, it is pointed out by Bowater's, has since been turned over to Newfoundland for the duration of the war.

ANGELA *was honest . . . but honestly? When thirteen people use a stamp box, how can one girl tell what happens to the stamps? So in the Postage Report there was always an Unexplained Deficit . . . which Angela could either make good with her own money, or with a little imagination! Like most of us, Angela had much more imagination than cash . . . Is it any wonder Angela wants Mr. Binks to put in a Postage Meter?*

WITH a Pitney-Bowes Meter, imagination isn't necessary. Nor are postage reports. Ditto postage stamps, as well. The postage in the Meter, and the postage the Meter has used—are automatically recorded on visible counters . . . Nobody borrows from a Postage Meter, as stamps have no value except on the firm's business mail. The firm gets the postage it pays for! And Angela gets a break.

But don't get the idea that a Pitney-Bowes Postage Meter is just a postage safe and recorder. It supplies any kind of postage needed, as needed—*prints* it on the envelope, with a dated postmark, and your own advertisement; and seals the envelope—simultaneously. In the average office, it saves time and work, as well as worry and postage.

Metered Mail doesn't wait for postmarking or cancelling in the postoffice, gets on its way earlier.

AND a Pitney-Bowes Postage Meter costs so little that almost any office can use one. Call our nearest office for a demonstration in yours, on your own mail . . . or send the coupon! Why wait?

* * *

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181 KING ST. WEST, TORONTO

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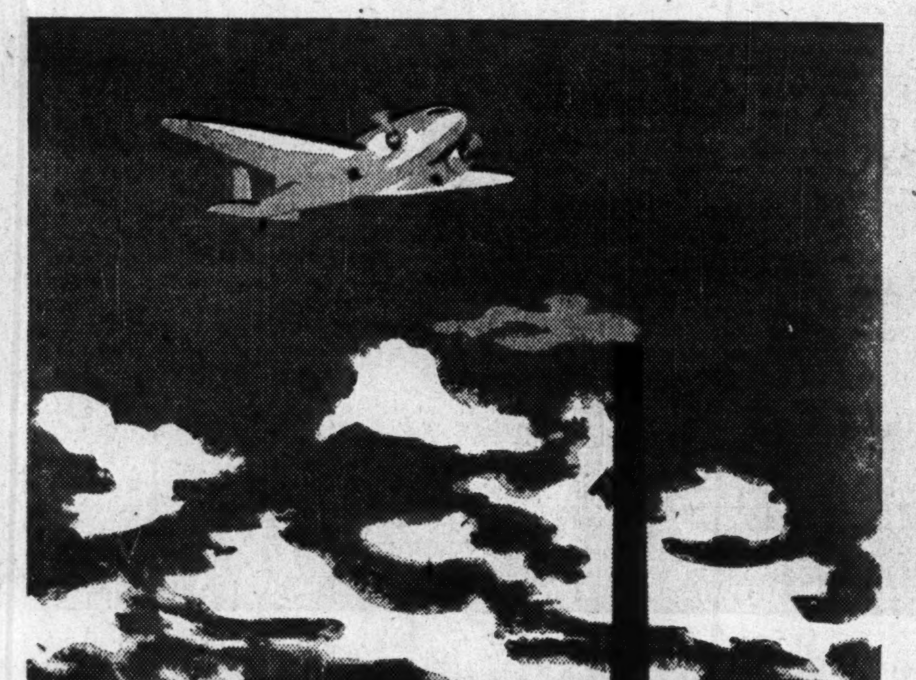
Consult Your Telephone Directory*

The Canadian Postage Meters and Machines Company Limited,
181 King St. W., Toronto.

☐ Mail me "Common Mistakes in Mail Handling"
☐ When may we have a demonstration?

Name ....
Company ....
Address ....



Thrift GIVES CANADA WINGS

What can you do to provide the planes, to train and equip our airmen for battle?

You can provide the money, by watching every penny you spend, by saving all you can. Personal thrift is vitally necessary now. Every dollar you can spare is needed for Canada's war effort. Honor your pledge to invest in War Savings Certificates regularly. Build up your savings account. Set aside a little each month to meet the war taxes which must be paid. We have a job on our hands. Let's finish it.

➧ This book will help you save.
The Royal Bank Family Budget Book shows you how to budget your income, how to save by planned spending. Ask for a free copy at your nearest Branch.

The ROYAL BANK of Canada

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☐ Please send me free copy of "Business Expects Every Man To Do His Duty."
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New Trails Blazed in Low Cost Housing

Sees Promise of Valuable Experience in Programme of Wartime Housing Ltd.

By GUY S. CUNLIFFE

New trails are being blazed in the field of mass production of low cost, standardized and quickly erectible housing, by the swelling programme of demountable dwellings being pushed across Canada by Wartime Housing Ltd.

The methods developed, the experience gained and the results being attained by this government war company, to meet pressing emergency war needs, already loom as of great potential value in meeting the longer term problem of providing adequate housing for Canadians.

The field which Wartime Housing is creating for its research and developments in the housing field extends from Halifax to Vancouver, and embraces some 40 housing projects in 27 localities. And the present programme, calling for outlay of over $15 millions, is slated for substantial expansion in future.

To House 10,000 Workers

The projects already completed, under way, or in process of being started involve the construction of 4,422 houses of bungalow style for war workers with families; 32 staff house units accommodating about 90 single men each; four commissaries; and such special accommodation as the Men's Centre at Hamilton and the manning pool hostel for merchant seamen at Halifax. All of these units will provide housing for nearly 10,000 war workers who, with their families, could easily constitute a city of 25,000 people if concentrated at one place.

How are these projects being built? What costs per housing unit have been experienced? What special methods have been developed and applied, such as prefabrication, to facilitate mass production, speedy completion, and a high standard quality of economical housing? The answers to such questions are of significance in working out the ultimate solution of Canada's perennial housing problem.

The answers are to be found almost entirely in the single houses, as the dormitory-style staff houses are being built pretty much by ordinary construction methods, with no variations of special interest. It is in the family dwellings that Wartime Housing has used the methods, developed to meet the particular need, that foster the evolution of standard house building.

The costs of these houses has been kept exceptionally low, especially considering the comfort and soundness of the finished units. In a recent public address, Victor T. Goggin, general manager of Wartime Housing, reported the basic four-room type mostly being built cost as low as $1,638 with an average across Canada of $1,838. From this it may be inferred that in some localities where cost of materials, transport and installation of water services, etc., ran particularly high, the housing unit cost may have run something over $2,000.

These figures compare very favorably with low price houses of comparable size, accommodation and quality erected by private builders, especially in the more settled districts of the Dominion. It must be kept in mind that many of the Wartime Housing projects have had to be built accessible to war plants in outlying areas, thus adding to the cost of obtaining and transporting materials and of connecting houses with existing water, sewage, lighting and telephone facilities. At the big development at Halifax, the underground work alone required a total outlay of $1 million.

Demountable Framework

Offsetting these abnormal extra costs and serving as the chief factor to hold down the net unit outlay, is the method of modified prefabrication evolved for the construction of the basic sections of the houses. Despite the insistence on calling the houses "prefabricated" in publicity about the projects, they cannot be classed as such in the usual sense of the word. Certainly "prefabricated house" is a misnomer when applied to the complete unit. The methods used in erection of the main frame of the houses in standardized, preassembled sections are a specialized and partial adaptation of the prefabrication systems tried out in recent years.

Wartime Housing officials believe it more accurate to refer to the houses as demountable rather than prefabricated, and it was with demountability chiefly in mind that the company worked out its plans. The fundamental policy of Wartime Housing is that it is functioning to meet a temporary emergency need, that the housing it is to provide will be liquidated when that need disappears after the war, and that it seeks to avoid clashing with the operations of private builders or owners.

From the point of view of the company, the primary virtue of the standard sections or panels with which the structural skeleton of the houses are formed, is not so much that they can be quickly bolted together into a complete frame. It is that they can be readily un-bolted and the houses dismantled when the time comes.

Whatever the motive the demountable plan has proved an effective way of ensuring speed of erection, close adherence to standards of precision and sound construction, and low unit costs. In addition it permits the easy replacement of sections of houses in case of damage or alteration, such as putting in an extra window.

Speedy Erection

The speed of erecting a house framework with the panels, once they are complete and on the site, is officially calculated at 16 man-hours. This means that four men can put up the basic sections of a house in four hours, or eight men in two hours. It takes much longer, of course, to finish houses complete with plumbing, wiring, interior and exterior finish, insulation, painting and other decorating, and water, sewer and electric connections.

However, Wartime Housing contractors have been able to finish up complete units ready for occupancy with highly creditable despatch. During the past summer, a group of 20 houses at an eastern Ontario location was turned over to the company ready for the tenants within 30 days from the time the contractor arrived on the clear site.

This is the speed record to date. On many other projects, completion has been held up by repeated delays in getting materials; shortages of both materials and labor; trouble in extending water, sewer and telephone services to sites; and protracted negotiations with local authorities over the undertakings. Of the 4,422 houses in the projects initiated to date, only about 550 have been completed and occupied, but the rest are reported rapidly nearing completion.

Standard Unit

The houses are set up on lots with a standard size of 40 by 100 feet, with general distribution of seven to the acre. The basic type of dwelling being constructed is a four-room bungalow, but there are four variations of this as far as size and layout are concerned. Three of these are one-floor bungalows with two bedrooms, two measuring 24 by 24 feet, the third 24 by 28 feet. The fourth type is a one and a half story structure with two bedrooms upstairs and the downstairs virtually the same as the two bedroom unit.

Allowing for the variety of exterior finishes and color schemes, there are really eight main types of house. In any one project, each of four types of finish is used on 25% of the houses and a "scattering" plan followed to keep uniformity to a minimum. The four finishes consist of clapboard; plywood or Masonite weather board in two foot strips; cedar shingles; and fireproof asbestos shingles. The asbestos finished houses are carefully spotted through the group of houses to act as fire stops and prevent destruction of the entire project should a blaze start in one house.

Every house has a covered porch in front and an open porch at the rear. Heating is by central-type stoves in the living room, of the style that might be described as "pipeless furnaces" or "victrola-type stoves." In most cases, tenants must provide their own stoves and iceboxes or electric refrigerators. None of the houses have basements, a fuel box being provided on the back porch and a storage cubicle being furnished in addition to cupboard space.

Foundations of the houses in most cases are wood posts, on which are laid the beams that will support the demountable floor panels and wall panels. In some instances, provision has been made for concrete cellars where desirable and at the rocky site at Halifax, concrete foundation posts have been put in. Generally speaking, however, basements have been omitted and the houses have been constructed entirely of wood, together with insulation and wood by-products as finishing materials.

Use 90 Panels

In erection of the basic framework of the standard four-room bungalow unit, a total of 90 panels are used. While the length of the panels varies according to the part of the house for which they are required, all panels are of a uniform width of four feet. All combine joist and studding pieces with the surface material. A variety of woods are being used, such as jack pine, red pine, spruce and hemlock, depending on the type or types most economically available in the districts where projects are under way.

In contrast with the centralizing of production and pre-assembly that has featured fully prefabricated building in recent years, the Wartime Housing standard panels are not all made at a single mill to supply all Canada, or even at one mill in each region where the housing projects are located. Nor are the panels turned out completely assembled by the mills, the assembly being done by the contractor either at the project site or at the nearest convenient point.

All of the sections and components of the panels are, of course, turned out to exact uniform specifications by all the mills across Canada from which contractors get supplies. The finished panels are then asembled by the contractor on special jig tables which ensure absolute standardization of all panels no matter where produced.

For the four-room bungalow unit, the 90 panels of uniform four-foot width are placed as follows:

No.	Function	Length in Ft.
24	Outer walls	8
24	Interpartitions	8
12	Floor	12
12	Ceiling	12
12	Roof	12
6	Porches, gable ends, etc.	

Finish and Insulation

To the outside of the panels are affixed sections of four types of exterior finish described earlier—clapboard, cedar shingles, asbestos shingles, weather board of plywood or Masonite. Roofs are covered with slate-coated asphalt roofing shingles. Interior finish consists of either plaster board or wood fibre board, attractively painted.

All houses are thoroughly insulated against either winter cold or summer heat, with insertions of rock wool or wood fibre insulating board in the walls, floors and roofs.

Piping for the plumbing is all precut to standard lengths for assembly on the job, and fixtures and fittings are of uniform design in all projects. Electric wiring and fixtures are also of standard specifications comparable with those in houses built in the regular way by private interests, with connections for electric stoves and heaters.

As with all other components of the houses except the demountable panels, the plumbing and wiring are produced and installed by regular methods used in ordinary house building. No unusual devices have been employed to increase their demountability and salvage value, as was done with the modified prefabrication and bolting together of the framework panels.

Great Lakes Adds Unit

Great Lakes Paper Co. has purchased a new digester unit which was built for the Lake Sulphite Pulp Co. This is the beginning of a major expansion programme for Great Lakes Paper which will involve an expenditure of $350,000.

The new digester unit is to be ready for production by June, 1942. It should add 15,000 tons to the company's annual production of unbleached sulphite pulp. At present, Great Lakes Paper has a surplus of unbleached sulphite pulp amounting to about 24,000 tons annually, over and above the amount which it requires in its newsprint production. This will bring its saleable surplus to about 39,000 tons annually.

Revenue from the added volume of unbleached sulphite is expected to be about $1 million at present prices.

It is stated that this addition, added to the company's existing sales of newsprint and of sulphite, will, at present prices, give the company an annual output of more than $7 millions.

A big demand exists for sulphite pulp both for normal uses and use in explosive manufacture. The latter demand is said to be due to an insufficiency of cotton linters which results in a big demand for the pulp both from Great Britain and the United States.

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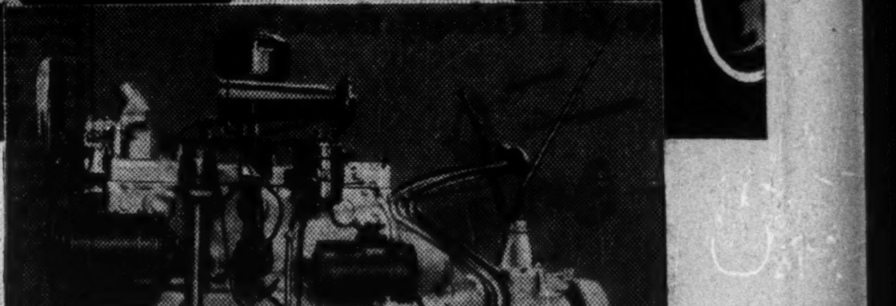

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Nash Announces New Models

These airline hostesses go over the 1942 low-priced Nash Ambassador "600," said to give 25 to 30 miles to a gallon. It has a body of all-welded steel built along airplane principles for safety and long life. Nash-Kelvinator has a $100 millions of U. S. defense contract work to do, one aspect of which is manufacture of the famous Hamilton Standard three-bladed, controlled-pitch propellers for airplanes.

Tram Bondholders to Meet

Plan to Lift Default on Montreal Unit

From Our Own Correspondent

MONTREAL. — Bondholders of Montreal Tramways Co. have been notified that a meeting will be held to consider the scheme of arrangement covering the company's default on its bonded indebtedness. Holders of the first mortgage bonds will meet in Montreal on December 9, and holders of the general mortgage bonds the following day. The reorganization which is being carried on under the terms of the Quebec Railway Act, is subject to sanction by a Judge of the Superior Court, if and when approved by both classes of bondholders.

Because of war and other conditions, the company was not in a position to raise the necessary money to pay off the first mortgage bonds when they matured on July 1 last. This created a condition of default on the first mortgage, as well as on the general mortgage bonds under the terms of the trust deed securing both issues.

Following the announcement by the company last April that it would not be in a position to meet its obligations, the bondholders set up two protective committees, one for the first mortgage bondholders under the chairmanship of R. P. Jellett, vice-president and general manager of the Royal Trust Co., and the other, for the general mortgage bondholders, headed by Rene Morin, general manager of the General Trust of Canada.

After extended negotiations with the company, these committees drew up a plan which they recommended for acceptance of the bondholders. It is this plan which is now being submitted by the company.

The broad provisions of the scheme call for lifting of the default through extension of the maturity and setting up of a sinking fund on the first mortgage bonds; reduction in bonded debt through cancellation of company's own holdings and additional purchases; a lowering of fixed charges through savings on exchange; and deferment of dividend payments on the capital stock until such time as the new conditions in the amended trust deeds are met.

Further details of the plan recommended by the two committees are now available in the printed material accompanying the notice of meeting.

To Extend Maturity

Under the proposed scheme or arrangement the main change in the rights of the first mortgage bondholders will be the extension of the maturity date for a period of 10 years or until July 1, 1951. The rate of interest remains the same at 5%, with payment of principal and interest in Canadian dollars, U. S. funds or sterling at the option of the holder.

The presently outstanding $23,611,000 of first mortgage bonds will be reduced to $19,000,000 through surrender and cancellation of $2,260,000 of bonds held by the trustee as security for the general mortgage bonds; $1,631,000 of bonds held by the company; and purchase of an additional $720,000 of bonds for cancellation by the company within 90 days of acceptance of the plan.

The company agrees to set up a sinking fund requiring the employment of $700,000 Canadian funds annually, commencing on or before July 2, 1942, in the retirement of first mortgage bonds.

The first mortgage bonds will be subject to call by the company at 100½ and accrued interest to date of redemption on 30 days notice at any time prior to maturity.

As regards the general mortgage bonds, the plan provides the issue be closed at $26,047,400 principal amount, representing the Series A, B. C. and D bonds now held by the public. The Series E bonds, amounting to $1,724,300 and at present held by the company, will be surrendered for cancellation and not replaced. Principal and interest of all series is payable at present in New York, Montreal or London at the option of the holder.

Create New Bond

A new general mortgage bond will be created with the same maturity date and dividend into four series — A5%, A4½%, B5% and B4½%.

To the holders of the 5% general mortgage bonds, Series A, B and D, and who were resident outside of Canada as of April 17, 1941, will be given the new A5% bonds which are payable as to principal and interest in Canadian dollars, U. S. dollars or English sterling. Those holders resident in Canada will be given the B5% general mortgage bonds, payable as to principal and interest in Canadian funds only.

Holders of the Series C 4½% general mortgage bonds, resident outside of Canada as of April 17 last, will be given the new Series A4½% bonds, payable in the three markets, while the holders resident in Canada will receive Series B4½%. payable in Canadian funds only.

In the case of all general mortgage and first mortgage bonds, the exchange will be on a par for par basis.

Eliminate Separate Funds

The separate sinking funds for each series of the general mortgage bonds now in the hands of the public will be eliminated until after the extended maturity date of the first mortgage bonds. However the scheme provides for a sinking fund for the years 1952 to 1954 which will require payment by the company of amounts calculated to be equal to the sinking fund that would have been payable in such years on the present general mortgage bonds Series A to D.

Finally the plan prohibits payment by the company of any dividends on its capital stock until at least $2,000,000 of the new general mortgage bonds have been redeemed and cancelled. This is in addition to the sinking fund on the first mortgage bonds, the operation of which will strengthen the position of the general mortgage bonds.

Paper Shipping Sure 1941-42

From Our Own Correspondent

MONTREAL. — No shortage of Canadian box cars for newsprint loading is expected as a result of the closing of the ports of Montreal and Quebec during the closed season of navigation of the St. Lawrence River, according to advices received by the American Newspaper Publishers Association's Traffic Department from the Federal Department of Transport.

Approximately 75% of the tonnage handled through Montreal and Quebec is diverted to the ports of Saint John and Halifax during the winter months. With the volume of Canadian war shipments constantly increasing, and a much greater rail haul involved in reaching these ports, concern was expressed by some that the railroads may be faced with additional burdens that would interfere with movement of commodities for essential civilian requirements.

The Dominion Department of Transport advises facilities at the ports of Saint John and Halifax for handling cargo and releasing equipment have been increased during the last 12 months. No tie-up is anticipated in either railway equipment or motive power. Should congestion become too severe at these ports, traffic can be diverted to Portland, Boston and New York for loading into British ships, but this it not expected.

MANAGER

W. C. Butler has been appointed manager for Canada of The Pearl Assurance Co. of London, England, and also of the Eureka-Security Fire & Marine Insurance Co. H. G. Flower has been appointed assistant manager of both companies.

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Some Agreement Reached In Arvida Negotiations

From Our Own Correspondent

MONTREAL. — Minor points of agreement have been reached by Aluminum Co. of Canada and the Catholic Syndicate of Aluminum Workers in the opening sessions of the conciliation board at Arvida, Que., enquiring into the differences between labor and management. Major issues remain to be settled.

Counsel for the syndicate set forth the workers' demands as:

- Increase of 10 cents an hour for all employees.
- Bonus of 32% for all potworkers.
- A 48-hour week.
- Closed shop.
- Improved working conditions.

Oppose Wage Raises

The company spokesman replied that wages could not be increased beyond the figures contained in salary revisions of October, 1940, and August, 1941, and the cost-of-living bonus of $1.25 a week granted two months ago.

The company claims it cannot increase wages or pay the 32% potworkers' bonus asked. It is opposed to the closed ship principle, but is willing to negotiate with the syndicate.

In regard to working conditions the company has voiced its acceptance of employment of two pot-helpers at each pot-line. It claimed there were only three or four lines where one pot-helper was now employed.

The company is also understood to have accepted seniority of employees with the longest service.

Follows Royal Probe

In reply to the syndicate's demand that office workers be paid overtime, the company stated it was willing to comply with the demand with the provision office employees are subject to deductions from pay for time lost through sickness or other reasons.

Most of the labor differences between the company and workers have originated in the pot-room of the Arvida plant, where last July about 300 workers took control of the pot-room for five days and forced a shutdown of the whole plant, employing 5,000 men.

The strike was the subject of a Royal Commission probe, the findings of which have not yet been brought down. The conciliation board awaited termination of the probe before undertaking its hearings.

Stocks of Newsprint Decline in September

Stocks of newsprint paper on hand with Canadian and American mills at the end of last month registered a further reduction. Canadian mills reported a decline of 6,734 tons, leaving a balance on hand of 148,480 tons. American mills reported a decrease in their stocks of 1,595 tons to 11,864 tons.

Returns from the Newfoundland mills will not be available for another week.

Consolidated Paper Issues More Stock

Consolidated Paper Corp. reports that 1,028½ shares have been issued in payment of bond interest, making the total number of shares outstanding 2,558,513.

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The Refuelling Tender is one of more than twenty different types of military vehicles—some completely Ford-equipped, some installed on Ford-built chassis—which are being turned out in thousands by Ford of Canada workers. More than 100,000 Ford military vehicles have been produced up to the present. At Ford's Windsor, Ontario, plant 13,000 employees are going "all out" to provide tools for the men who will use them.

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Canada Now Faces Critical Man Power Shortage

Housewives, Students and Never-worked Now Needed For Swelling War Programme

By W. BRUCE McKINNON
Staff Writer, The Financial Post

The one feature of war that concerns every Canadian man and woman most closely and personally, is the one about which they know least.

Only a fraction of Canada's men and women yet know the part they themselves will play in winning the war. Most of us know something of the financial sacrifices we will have to make, many of the material things we will have to forego. We have some hints as to the new pattern of life ahead of us. But most of us don't know yet what we are actually going to **do** in the war; how many will yet be mobilized into some direct war work.

But the bold outlines of how many of us will likely be affected are shown in the accompanying accounting of Canada's man and woman power.

It now appears likely that one out of ten married women will have to join the war workers. Or all of Canada's students over 16 years of age will have to be mobilized.

Or half the women who have not worked before will have to be induced to take jobs. They would be needed to take the places of one man out of every 15 now employed.

Those are almost minimum needs.

Maximum need has been estimated as follows:

One married woman out of every four would leave her home for a war job;

Or, two-thirds of the total national labor reserve (students, women who have never worked, married women) will be needed for industry.

Very bluntly, Canada is already "scraping the bottom of the barrel" for manpower.

Lack of factual knowledge on the most important personal fact of war is not due to neglect on the part of Ottawa. Half a dozen different government offices have checked into the labor supply problem, the most important effort being the National Registration. As the census figures roll in this year, the Dominion will be able to take further stock of its manpower assets, draw many of the lines for future action.

Even then, there will be many "ifs" to settle.

How many men will be needed for the armed forces is one of them. How to get them into uniform is another. How to replace them in industry is an equally difficult third.

But on the assumption that Canada is going to need her full fighting strength of a million men in arms, half a million working on direct war orders, here are some of the facts of the manpower balance sheet as they will affect the lives of every Canadian.

1. Canada Has Already Used Up Its Liquid Manpower Resources

A year ago we had reserves of unemployed and males who had never worked of 338,000—over 85% of the net drain on Canada's manpower of 390,000-odd individuals in the intervening year.

Some unemployed remain, but most of these are either living distant from the points where labor is in demand or are unemployable.

Canada is past the point where labor supplies can be obtained by simply offering jobs. Individual employers may solve their problems by taking workers from lower-paid industries, but the national problem can only be solved by enlisting the reserves which up to now have been relatively untouched.

2. The Reserves of Womanpower Will be Hard to Employ

Canada's labor reserve forces are adequate for the job numerically. But they now consist almost entirely of single women who have never worked and of married women who could be spared from their domestic duties, estimated at not more than 25% of the total in a recent Dominion Bureau of Statistics survey. The balance of the reserve are students.

In the National Registration of a year ago, the number of women who stated that they would be willing to do war work was only equal to the number of women gainfully employed at the time. In other words, it appears that up to a year ago, women at home would not enter war plants on their own volition. To get them there now, would apparently require a major "selling" campaign or some form of conscription.

3. Canada May Need up to 840,000 More Workers Next Year

Estimates of the maximum size of Canada's fighting services vary widely, but the National Registration showed 1,050,000 single men of military age and 1.7 million men, married and single between the ages of 20 and 40. From that computation some observers declare Canada could put a maximum of one million men under arms. This is generally regarded as beyond the ability of Canada to supply war materials for modern blitz warfare.

Estimates of the behind-the-lines manpower requirements of modern battle show up to 18 workers required for every man in action.

So far in the war enlistment for industry has run 28,000 a month; in the armed forces, about 14,000, a ratio of 2 to 1, or about one-ninth what would be required for active and sustained fighting. If the ratio continued while we raised our fighting men to one million, our big army would only be able to fight about a month and a half in the year if they depended entirely on Canadian materials. It may be argued that Canada will always have to use some borrowed weapons, but these are being paid for with other materials which require manpower for their production. Britain, for instance, will do a large part of her fighting on Canadian foodstuffs.

Fighting Minimum — 500,000

At the most conservative figure, the Dominion will have a total of 500,000 men on full-time service by the end of the third war year. To achieve that involves the transfer of the 170,000 men now in the reserve army, plus another 10,000 men. It cannot be assumed that all the reservists will join or be accepted for the active army, but these will be balanced up by naval and air recruiting.

Best estimates are that it will be another 10 months before Canada's industrial war machine reaches full production. Finding new workers for war industry at the 28,000 per month average rate means that, in addition to the extra 180,000 for the armed forces, Canada needs another 280,000 workers for her war industries.

That means a further 450,000 workers to come from the reserve force.

Of that number, 110,000 will theoretically become available for work through natural population growth and ageing. But the remaining 340,000 will have to come out of reserve.

And remember—those figures are for next year's minimum need. If Canada were to put all her fighting manpower into uniform, next year's total need would jump to 840,000 new workers and fighters.

Last Year's Quota

In the past year, the national manpower account has run into a deficit of around 390,000. "Financing" that deficit has taken up our "quick reserve assets," and has drawn heavily on labor supplies in industries where wages have been lower than in the growing war centres.

Of a sample of some 4,000 wage-earners recently studied, some 16% had not been employed for wages at the time of the National Registration. If that small sample accurately reflects the manner in which the past year's manpower deficit has been made up, these are the sources and the percentage of the total which each group has supplied:

Unemployed	32%
Agricultural	25%
Own Account	16%
Students	12%
Married women	12%
Former employers	3%

While the figures undoubtedly reflect the seriousness of the impact on agriculture (in addition to the agricultural workers, many of the "own account," independent workers were farmers) the impression that only about a third of the unemployed have been absorbed is almost certainly erroneous. These figures, taken from the Unemployment Insurance Commission, do not reflect the shift of unemployed into agricultural work and other occupations not covered by the Commission, and they do not include the records of military enlistment, which would drain heavily on both of these pools of manpower. Moreover, the large proportion of former students now employed is a more or less normal figure since the yearly crop of graduates always places students high in the ranks of new workers.

The Manpower Shuffle

But there is little doubt that agriculture, next to the unemployed, has—up to now—been the most important source of manpower. The recent quarterly report of Sherritt Gordon Mines Ltd. shows what is happening: "(In the past three months) enlistments in the armed forces amounted to over 10% of the entire (mine) crew and consisted chiefly of skilled miners. Their places were immediately filled with young men from the prairies but the infusion of so many green men in so short a period inevitably lowered efficiency of the mine operation."

The story at Sherritt Gordon has been repeated thousands of times across Canada in the past year.

End-man in the manpower shuffle is usually the farmer, sometimes the employer of domestic help and the restaurant proprietor. Occasionally it is a gold mine, or a prospecting unit.

By and large, the average industrial employer has not yet been made aware of the growing shortage of quickly employable labor. The wages he pays and working conditions he offers have been sufficiently attractive to induce an adequate supply of workers to leave other jobs.

Officials for the first time now have some information on a national scale which permits finding out something of the work habits of a major section of Canadian workers. Preliminary indications are that the study will reveal one in three workers changes jobs every year.

Turnover like that obscures the national labor picture to all except the farmer who sees crops rotting in the fields because he can't get men to harvest it, to the home which sees its domestic servants departing for war work and the cost of any quality domestic service doubling, to the restaurant operator who is doubling pay for some types of work and to other types of enterprise. Mining has already been mentioned. The lumbering industry is just getting to the point of recruiting bush crews for this winter.

Guns as Well as Butter

Up to now, there has been no national shift of workers from peace to war industries. In the labor market, the choice between guns and butter has not yet been forced on Canada.

In the more than 50 separate indexes used to compile Canada's employment figures (agriculture and domestic help are not included) employment is up without a single exception. On balance there has been no net shift out of peacetime trades.

Recently a survey was made of the situation in firms that have received direct war orders. In the past year, almost every one of these firms has greatly enlarged its labor force. But the number of workers engaged on the normal production of these industries—automobiles, farm implements, rail equipment, etc., has only dropped a small fraction.

While the war production of these plants has taken ever-increasing toll of the labor reserves, the number of workers on peacetime output has shrunk by an amount equal to only 2.7% of the rise in the war divisions. The balance still employed on civilian goods is less than 70,000, less than a quarter of the 280,000 additional war workers Canada is likely to need in the near future.

For the most part, these are the firms whose civilian production will be hardest hit by present and coming restrictions on consumer goods output. They are the plants which operate on scarce and rationed metals. But the figures show that even if their normal production were shut off completely, three-fourths of the labor requirements would still have to be found.

And it is doubtful how much of their civilian output could be cut off.

Plowshares are as necessary for the war of foods as swords for the war of weapons. Rail equipment is vital if shells and guns are to be transported to points where they can be used effectively. Clothing for war workers ranks in importance with uniforms for fighting men.

In effect, it appears that the restriction of production on account of scarce materials, restriction of consumer purchases, etc., will go a very short way toward solving the manpower shortage.

Labor Priorities?

Unless the slack is taken up by the womanpower reserves, some industries will have to be closed down simply because they are consumers of labor. The labor shortage itself may accomplish this automatically in a number of cases, but in others, industries which might normally be classified as non-essential are being reticketed under the stress of war.

With more married women going into war work, restaurants have a heavier and more important role.

With Britain leaning more heavily on Canada for foodstuffs, success or failure of this phase of the war effort will depend largely on the farmer. But the prices of his products, and his ability to acquire labor are still at depression levels.

To date, the manpower problem has been "appeased," not solved.

Longer hours have in some cases stretched the available working force. But the limits of overtime are narrow. For long periods, overtime work does not pay either worker or employer. It costs the employer more in wages and lost efficiency, the worker more in damaged health. Longer hours and seven-day weeks were dropped in Britain within a month or two after the fall of France because of the drop in production entailed.

Two broad avenues of approach to the problem appear available; to guarantee the "hiring power" of vital trades currently unable to compete successfully in the labor market, or, to adopt a priority system under which non-essential labor consuming industries would be raided for war workers. The first of these would preserve the basic principles of democratic freedom of enterprise but would have inflationary implications. The second would imply conscription of workers, since the freedom to choose jobs would almost certainly have to be restricted. In either event, a major selling campaign to attract new workers would be an essential part of a successful programme.

At the most, the withdrawal from non-essential or rationed industries is not likely to account for more than half the labor demands of the coming year, and would leave the military manpower problem untouched.

Accepting this optimistic figure would mean that some 200,000 to 700,000 Canadians will have to come from the reserves.

At the minimum, that would mean the employment of Canada's entire student population, or nearly half the women who have never worked, or about one married woman in ten. At the maximum, it would absorb two-thirds of this entire reserve.

If military demands keep to the estimated minimum, all those now members of the reserve forces would have to be replaced at their jobs.

But if it came to raising the "full potential" of one million, more than one in five of the men now working would have to leave their jobs.

Efficiency Loss

Actually, the number of persons taken from the reserves would likely exceed the numbers leaving industry for the armed forces. The infusion of one to three quarters of a million new workers could not be brought about without tremendous losses of time and efficiency.

The Sherritt Gordon example is typical. Enlistment of skilled men forced the mine to recruit labor unskilled in mining. The loss of these men to mining passed the problem of training new men back to the prairie farmer. Presumably he drew on the reserves of unemployed to replace his lost harvest hands.

Three squads of men were simultaneously undergoing training, where only one training job would have been required if the men had moved directly from unemployment into the armed forces.

To a great extent this duplication is inevitable, but it is an indication of the total loss of productive power and the diversion of energy to the training problem that is seriously affecting the efficiency of war and peace production.

Co-ordination Needed

No solution to the man-power problem has yet developed.

The various organizations that are taking stock of the situation are still not co-ordinated into a single effective body. The determination of policy is equally widely dispersed.

Military demands compete with industrial, and no agency has yet developed to face the tremendous psychological and propaganda job entailed in the mobilization of womanpower.

To date the efforts to enroll harvest help, to enlist and train industrial help have been to a great extent in the hands of local authorities or private industrial corporations. That they have succeeded for the most part is attributable to one factor—the 85% reserve of unemployed that has gradually been mopped up in the past 12 months.

But for practical purposes Canada now has "full employment." With it comes the threat of inflation, of the drying up of voluntary recruiting, as it did in 1917, in both Canada and the United States. And with it is coming the time when the success of the war effort and the restriction of inflation will only be possible through efficient, co-ordinated action by a Government agency broad enough to see the problem in its entirety and powerful enough to take the drastic action which will be needed.

The Balance Sheet of Canada's Man Power

	August 1940 Persons	August 1941 Persons
Working Assets:		
Employed	3,106,000	3,430,000
Employers	283,000	282,000
Own account (professional men, agents, farmers, etc.)	875,000	850,000
Essential homemakers (married women not free to work outside)	1,785,000	1,785,000
Armed Forces	175,000	325,000
	6,224,000	6,672,000
Liquid Reserves:		
Unemployed	306,000	
Never worked (male)	32,000	
	338,0000.	
Deferred Reserves:		
Students (over 16)	202,000	200,000
Never worked (female)	459,000	450,000
Employable homemakers	500,000	490,000
	1,161,000	1,140,000
Ultimate Reserves:		
Retired	298,000	298,000
Under 16	3,401,000	3,425,000
	3,699,000	3,723,000
TOTAL	**11,422,000**	**11,535,000**

Income and Appropriation Account for year to August, 1941

To Armed Forces	150,000	By Natural Increase	110,000
To Industry	350,000	DEFICIT	390,000
	500,000		500,000

Budget for Total War*

To Industry	280,000	By Natural Increase	110,000
To Armed Forces	170,000	DEFICIT	340,000
	or 670,000		or 840,000

*** Assuming that Canada aims at the maximum effort believed possible by some observers, of one million men under arms, the larger figure for "deficit" shows the additional men and women Canada has to find. Perhaps more in line with Canada's ability to produce the tools of total war is the deficit of 340,000, based on half a million men in arms, roughly equal to the number now in reserve and active forces.**

—Public Information photo.

The vanguard of Canadian women workers are now helping Canadian industry achieve the biggest job in its history. As yet drawn mainly from the ranks of women who had been employed before, they will have to be joined by hundreds of thousands more who have never worked, or are now classed as homemakers. The alternative is a drastic reduction in civilian goods production, far more severe than any now contemplated in the drive to husband scarce materials.

Newsprint Shipments at Record

September Deliveries Highest on Record for That Month

From Our Own Correspondent

MONTREAL.—Shipments of newsprint paper from Canada last month set a new high monthly mark for 1941 and the highest for any September in the history of the industry, according to figures released by the Newsprint Association of Canada.

Last month 305,010 tons of paper were shipped from Canadian mills. This compares with 296,985 tons in the previous month, and with 284,133 tons in September, 1940.

A breakdown of the shipments does not show any major changes in demand. Domestic deliveries at 16,364 tons were a little higher than usual. Exports to the United States at 238,949 tons, compared with 230,284 tons in August and 218,989 tons in September last year. Overseas shipments totalled 49,697 tons, or about 1,500 tons less than the previous month and approximately the same as last year.

For the year to date the Canadian mills have shipped 2,509,838 tons. This contrasts with 2,584,795 tons for the like period of 1940.

Breakdown of Shipments

Shipments by markets for the first nine months of 1941, with comparative figures for the same period last year, follow:

January-September

	1941	1940
Domestic	143,108	135,895
United States	1,992,731	1,940,227
Overseas	373,999	508,673
Total	2,509,838	2,584,795

Output Under Control

Production by Canadian mills last month was slightly under shipments, amounting to 298,276 tons. This represented a gain of around 5,000 tons over the previous month and about 16,000 ahead of September, last year.

To the end of August the Canadian mills turned out 2,505,947 tons. This is well above the average of recent years, but below the first nine months of 1940 when 2,573,605 tons were manufactured.

Island Figures Delayed

Production and shipments of the two Newfoundland Mills for September are not yet available, owing to the delay involved in readjusting the returns to the same basis as that used by the Canadian mills. Because of a difference in method of reporting shipments, etc., it has been necessary to revise returns. This work is expected to result in a much more accurate knowledge of stocks on hand and a reduction in the previous overall reported figure by the better part of 100,000 tons.

The American situation did not undergo any material change last month. Shipments of 80,252 tons were the highest of any September in recent years, including the record year of 1937, but below the monthly average for 1941 to date.

Since the beginning of the year the American mills have shipped 765,134 tons of newsprint paper, as against 752,792 tons in the corresponding period last year.

Production in the United States in September dropped off to 78,657 tons. This would appear to be a seasonal development, influenced in part by the shorter working month. However, for the year to date output has almost balanced shipments, amounting to 763,543 tons.

Newsprint Mill Ratios Increase

From Our Own Correspondent

MONTREAL. — Operating ratio of Canadian newsprint mills was stepped up to 84.9% of capacity during September, according to returns released by the Newsprint Association of Canada. This contrasts with 80.2% in the previous month and with 83.5% in September last year.

Shipments, in relation to capacity, totalled 86.9% last month, as against 81.3% in August and 84.0% in September, 1940.

The trend of production and shipment ratios for the Canadian mills since the beginning of 1940 follows:

(Percentage of Capacity)

	Production 1941	Production 1940	Shipments 1941	Shipments 1940
Jan.	71.5	68.5	66.6	66.7
Feb.	72.9	65.8	71.1	60.0
Mar.	75.5	68.6	72.8	64.2
Apr.	76.7	73.4	78.2	72.9
May	75.1	85.1	76.8	87.9
June	77.9	89.5	80.3	96.1
July	80.4	90.8	82.2	92.1
Aug.	80.2	83.2	81.3	87.3
Sept.	84.9	83.5	86.9	84.0
Oct.	...	81.5	...	75.7
Nov.	...	77.1	...	78.3
Dec.	...	71.8	...	78.5
Year	...	78.3	...	78.7

Canadian Car Workers Get Raise

From Our Own Correspondent

MONTREAL.—Employees of the Fort William aircraft plant of Canadian Car and Foundry Co. have been granted a wage increase of 2½ cents an hour, making the basic rate 55 cents an hour. This step followed the reaching of an agreement between the aircraft division of the plant and the Aircraft Local 719 of the International Association of Machinists.

The agreement includes a further cost-of-living bonus granted under P.C. 7440, but no details have been made public.

How War Programme Boosts Paper Shortage

Dramatic figures were given by the assistant secretary of the National Paper Trade Association Bob Ziegler to show the why of "the paper shortage."

His calculations were provided The Financial Post by The Hinde and Dauch Paper Co., Toronto. While his figures have special reference to the United States, they are of much significance for Canada.

The following figures show paper requirements under the U. S. defense programme.

7,500 tons (or 375 carloads) of mimeograph paper.

2,500 tons (or 125 carloads) of typewriter paper.

2,000,000 rolls of toilet paper for each Army camp.

50,000,000 file folders.

3,750,000 sheets of carbon paper.

1,000,000 paper milk bottles per day (at the present time) to each Army camp.

30,000,000 Defense Stamp albums

100,100,000 pounds of Super Book Paper and

100,000 pounds of cover paper for soldiers' hand books. (This amount of hand books if stacked would be 16 times as high as the Washington Monument).

4,000,000 sheets of poster paper for national defense posters.

11,000 tons (or 550 carloads) of target paper.

14,000 pounds of asbestos paper for each cruiser manufactured, of which 64 are now being built.

11,000 tons per month of board for shell containers.

1,250,000,000 envelopes will be required this year by the government.

30,000 pounds (or one carload) of blueprint paper for each battleship constructed.

60,000 tons (or 3,000 carloads) per year for interleaving armor plate and cold rolled steel.

This is only a portion of the paper consumed as the greater amount of paper required for the programme is going direct to contractors under the national defense programme.

It has been estimated that it required 1,000,000 tons of paper for each $5,000,000,000 of defense appropriation. On the basis of recent defense figures of $63,000,000,000 some 12,600,000 tons may be taken by the defense programme.

Canada's Shipping Plans on Big Scale

From Our Own Correspondent

MONTREAL.—If Canada's shipbuilding objective for 1942 is reached, the Dominion's programme will equal the British annual output of cargo vessels, according to a statement made by Hon. C. D. Howe, Minister of Munitions and Supply, at the launching of the Fort Ville Marie at the yards of Canadian Vickers Ltd.

No figures were gven by Mr. Howe as to what this objective might be, but at present Wartime Merchant Shipping Ltd. has placed contracts for the building of 150 freighters, of which number 140 are in the 10,000-ton class and the remainder of 4,700-ton dead-weight capacity.

Brown Co. Plan Is Approved

Receiver Managers Petition Approval to Make Plan Effective

From Our Own Correspondent

MONTREAL. — Judge John A. Peters of the U.S. Federal Court in Portland, Me., has signed an order approving a reorganization plan for Brown Co.

The petition submitted by the Brown reorganization managers explained that United States Reconstruction Finance Corp., from which the concern is borrowing $6.5 millions, had approved the plan. They asked that the amended plan which would include reimbursement of the Bondholders Protective Committee for expenses, become effective November 29, the end of the company's fiscal year.

The managers further said that the R.F.C. had approved their action in fixing the form of documents, such as mortgage indentures, preferred stock and press certificates and had approved terms of exchange and distribution of securities involved.

Obituaries

A. R. Wilson, vice-president Consolidated Press Ltd. Toronto, and formerly president and managing director Andrew Wilson & Co., cigar manufacturers and a former director of Imperial Tobacco Co., aged 71, at Toronto.

Miller Lash, president Brazilian Traction Light and Power Co., and subsidiaries; Canadian and General Finance Co. chairman of the board Mexican Light & Power Co. and subsidiaries; Mexico Tramways and subsidiaries; vice-president Barcelona Traction Co.; the Canadian Bank of Commerce; director National Trust Co., British America Assurance Co., Western Assurance Co., Sociéte Internationale d' Energie Hydro Electrique (Sidro); aged 68, at Toronto.

May Set Ceiling U.S. Pulp Prices

From Our Own Correspondent

MONTREAL.—A ceiling on wood pulp prices in the United States at or below third quarter levels, in order to prevent higher paper prices, may be necessary, according to Leon Henderson, Federal Price Administrator.

Several leading producers, he said, had advanced wood pulp contract prices by from $4 to $11.50 a ton without advance notice to the Office of Price Administration, which last spring obtained verbal agreement with a number of leading makers not to make price increases during the rest of the year.

May Await Findings

He disclosed that the Federal Tariff Commission was conducting an industry-wide investigation of cost factors and was expecting to report its findings within a few weeks.

According to Mr. Henderson, the Container Corp. has raised the price of its Conus brand pulp from $60 to $70 a ton; Eastern Corp. has increased Orono pulp from $63.50 to $75 a ton, and West Virginia Pulp and Paper is asking $70 a ton for soda pulp, an advance of $4 a ton. St. Regis Kraft is quoting a price of $87.50 a ton for its Tacoma brand bleached kraft, an increase of $5 a ton for the month of October.

NAMED VICE-PRES.

A. D. Johnston, secretary-treasurer of National Breweries Ltd., has been appointed vice-president and secretary-treasurer. Mr. Johnston joined the company in 1910 and has been secretary-treasurer since 1921.

Company Reports

Fairchild Aircraft

Fairchild Aircraft Ltd. reports an operating profit in the year ended June 30, 1941, of $311,049. This contrasts with $167,522 in the preceding year.

After provision for all senior charges, including income tax, there was a net profit of $39,429 compared with $11,444 in the 1940 fiscal year. This was equivalent to earnings of slightly over 32 cents a share, as against 9 cents a share in the previous year.

The balance sheet as at June 30 reflects the broad expansion in the company's activities. Bank loans of $1.3 million compare with $678,341 a year ago. Accounts payable increased from $396,939 to nearly $1.4 million. On the other side of the balance sheet, accounts receivable advanced from $794,943 to almost $1.4 million. Inventories jumped from $239,253 to around $1.3 million.

Good Contract Position

Uncompleted contracts are shown on the books at over $6.5 millions, of which $6.3 millions have been billed.

There was a moderate expenditure on capital account last year, fixed assets now standing on the books at $623,288 before depreciation.

H. M. Pasmore reports that during the current year the company received a contract for 80 Bristol Bolingbroke Bomber aircraft, bringing to 169 the total number of aircraft of this type ordered from the company. In addition the company received a contract for a substantial order for spare parts, as well as for an additional 80 sets of Hampden aircraft components from Canadian Associated Aircraft.

Comparative figures on the profit and loss account follow:

Income and Surplus Account
Year Ended June 30

	1941	1940
Operating profit	$311,049	$167,522
Less: Exec. salaries	44,010	20,900
Legal fees	7,354	2,324
Loan interest	45,191	21,217
Note interest	5,550	4,130
Depreciation	111,073	69,579
Loss on inventory	31,345	......
Devel. expenses	......	36,354
Income tax	27,096	1,574
Net profit	39,429	11,444
Less: Prev. deficit	70,264	81,709
Deficit forward	30,835	70,365
Working Capital		
Current assets	$2,909,069	$1,123,190
Current liabilities	2,782,794	1,116,128
Working capital	126,275	7,062

Toronto Elevators

Toronto Elevators, Ltd., reports net profit for the year ended July 31, 1941, equivalent to $3.67 a share on its common stock. This compares with $3.12 a share for the preceding year. Dividends of $1 a share were charged to each year's operations.

The company borrowed $250,000 on a note payable Sept. 29, 1942, with which to finance construction of a three million bushel temporary storage annex at Sarnia. This was completed Aug., 1941, and is now filled to capacity. Provision is made for an accelerated depreciation over two years and it is expected that the annex will be demolished when the present emergency ends, G. C. Leitch, president, reports. The company now has a combined temporary and permanent storage capacity of 10 million bushels.

During the past year, Toronto Elevators reduced its City of Sarnia loan by $43,500 to $413,865, including the $43,501 which matures during the current year. The company redeemed 478 shares of preferred stock at a cost of $23,900, leaving a balance of $14,773 in sinking fund.

Working capital increased by $146,814 to $1.1 million. Current assets are up about $700,000. Cash is higher at $222,341 compared with $119,958 and grain and feed inventories of $3 millions compare with $2.8 millions. The company holds Victory bonds which cost $262,000, a new item on this year's balance sheet. Notes payable to bankers are up $300,000 at $2.5 millions.

The auditors state that application has been made to the Board of Referees under the Excess Profits Tax Act for establishment of a standard profit for the company and its subsidiary, Sarnia Elevator Co.

Consol. Income and Surplus Account
Years Ended July 31

	1941 $	1940 $
Net earnings	613,136	520,742
Less: Depreciation	98,223	133,219
Debt interest	21,285	23,328
Inc. & E. P. taxes	225,218	123,533
Net profit	268,410	240,662
Less: Pref. divds.	76,218	77,530
Common divds.	52,318	52,318
Surplus for year	139,874	110,814
Add: Prev. surplus	367,792	255,609
Prof. on pf. redem.	2,340	1,369
Surplus forward	510,006	367,792
Earned per Share:		
Preference	$9.33	$8.24
Paid	2.62½	2.62½
Common	$3.67	$3.12
Paid	1.00	1.00
Shares Outstanding:		
Preference, $50 par	28,733	29,211
Common, n.p.v.	52,318	52,318
Working Capital	$	$
Current assets	4,244,560	3,519,358
Current liabilities	3,168,219	2,589,831
Working capital	1,076,341	929,527

Coast Breweries

Coast Breweries Ltd., Vancouver, reports net profits for the year ended June 30, 1941, equivalent to 14 cents a share on its common. This compares with 15 cents a share for the preceding year. Dividends of 12 cents were paid for each year.

Balance sheet does not reveal any important changes in the company's interests in its subsidiary and associated companies. Advances to Capital Estates Inc. amount to $174,141. Investment in General Brewing Corp. remains at $108,670 in U.S. funds and advance are $58,032. In Interstate Brewing Co., Coast Breweries has $130,407 also in U.S. funds and including bonds and advances.

In addition to the amount shown as current assets, the company reports $165,000 principal amount of 2%, 1946, Victory loan. Contingent liabilities of $382,629 are reported, of which $212,581 are shared with other companies.

Consol. Income and Surplus Account
Years Ended June 30

	1941 $	1940 $
Gross profit	969,493	851,055
Add: Misc. income	10,301	......
Gross earnings	979,794	851,055
Less: Sell. & gen. exp.	330,980	279,811
Legal fees	1,731	490
Directors' fees	1,150	1,150
Exec. salaries	20,950	20,400
Bad debts	......	2,600
Donation to R.C.A.F.	......	8,000
Depreciation	75,695	74,386
Inc. & E.P. taxes	283,319	194,205
Net profit	265,969	270,013
Less: Dividends	216,378	216,378
Surplus for year	49,591	53,635
Add: Prev. surplus	246,570	197,935
Less: Goodwill w/o	5,000	5,000
Earned surplus fwd.	291,161	246,570
Earned per share	$0.14	$0.15
Paid	0.12	0.12
Shares o/s, n.p.v.	1,803,150	1,803,150
Working Capital	$	$
Current assets	649,388	612,143
Current liabilities	352,416	248,343
Working capital	296,972	363,800

ON OGILVIE BOARD

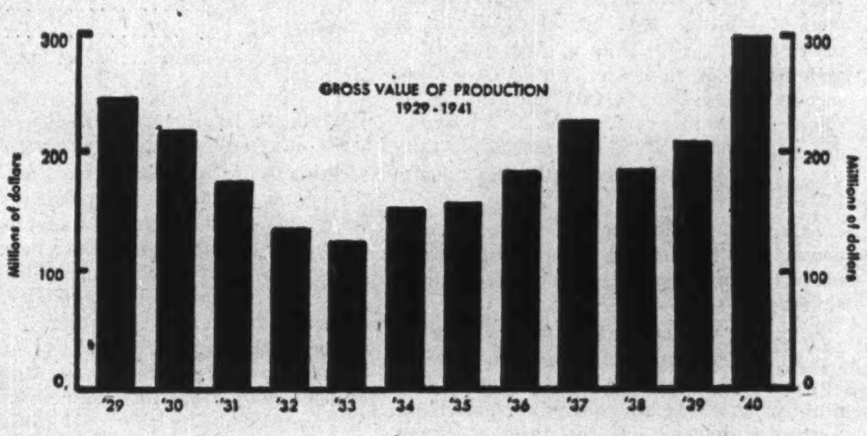
Ross H. McMaster, president of the Steel Co. of Canada, who has been elected to the board of directors of Ogilvie Flour Mills, succeeding the late Sir Herbert Holt.

International Paper Pays Off Arrears

MONTREAL.—Directors of International Paper Co., successor to International Paper & Power Co., have declared a dividend of $5 a share on the convertible 5% preferred stock. This action was in line with expectation and wipes out the last of arrears on the stock inherited from the old company.

The dividend will go only to holders of the new stock, and will be payable November 15 to stockholders of record November 7.

A dividend of $63, clearing all arrears against the 7% preferred stock of International Paper and Power was paid on October 15 to shareholders of record October 7. This stock is to be redeemed by the new International Paper Co.



NEW PRODUCTION RECORDS

SPEED VITAL WAR SUPPLIES

Pulp and Paper is today a war industry. Many of its products are directly used for war needs; others are exported to provide the dollar balances we must have for ships and planes and guns. Every additional log that comes to the block pile — every additional ton that leaves the mill is another blow against Nazi slavery—another blow for freedom.

In the past year, according to figures just released by the Dominion Bureau of Statistics, the industry has set new production records, thereby speeding the flow of essential war supplies.

GROSS VALUE of production exceeded $298,000,000, an increase of 22.2% over 1929, the previous record year;

PURCHASES of materials and supplies topped $108,000,000, 11.2% over 1929;

EXPENDITURES: Over $17,000,000 was spent for electric power; over $13,700,000 went for fuel.

INVESTMENT: Capital invested in operating mills alone totalled almost $643,000,000; this does not represent the total *investment* in the pulp and paper industry, nor does it include all the *assets* of pulp and paper companies. The value of timber limits and of hydro electric developments is excluded; likewise investments in wholly or partly controlled subsidiaries or in other enterprises.

The Pulp and Paper Industry is proud of the part its workers have played in setting these production records. Pulp and Paper is Canada's greatest industry. Its workers have shown—and are showing daily—that they are doing well their duty in the fight for the survival of freedom.

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INDUSTRY OF CANADA
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New Ways to Speed Victory

National Research Council on Big Programme

How the National Research Council of Canada turned its peacetime programme almost overnight into one of service in war is revealed in the council's 24th annual report.

Now the council serves virtually as the scientific branch of Canada's defense departments, army, navy and air. In addition it co-ordinates scientific work of government departments, industrial institutions, universities and research laboratories in the prosecution of all scientific and technical aspects of war preparation.

Secret communications, defense against chemical warfare, naval protective devices, aircraft research, preservation of human life—these are some of the varied fields that the institution has explored since war broke out.

Illustrating the importance of research in the present conflict the staff of the National Research Council has increased from 308 (July, 1939) to 574 (March, 1941). Greatest increases have occurred in the division of physics and electrical engineering. This division has charge of work on radio and gauge testing, two units in which war work has grown rapidly.

Raised Large Fund

Impressed by the practical value of the work of the Council a number of public spirited corporations and individuals recently raised a fund of $1,250,000, and from this grants are made to the National Research Council in order to carry on investigations and develop new equipment that may be useful in war.

A crown company, Research Enterprises Ltd. has been formed for the purpose of manufacturing in quantity special secret military equipment from prototypes developed by the National Research Council. Close relations and co-operation are maintained with this organization and the Council.

The Inventions Board set up in January, 1940, has provided a clearing house for proposals intended to further Canada's war effort. During the 1940-41 period about 7,000 inventions were examined. While many proved obsolete and unworkable some of the proposals have been taken up for development either in Canada or Great Britain.

Citing examples of wartime research the report states the radio section immediately turned its attention at the outbreak to the field of secret radio communications. "At the present time this section has a staff of about 100 highly trained technicians and mechanics, is developing prototypes of important significance, and has made in this field one of Canada's important contributions."

To meet an anticipated shortage of optical glass and facilities for the manufacture of fire-control instruments, the section on optics turned its attention to this problem with the results that today there is operating in Canada a well-equipped factory which is manufacturing optical glass and a wide range of fire-control instruments.

Special Naval Gear

Design and production of various secret gear and equipment in connection with naval protective devices has engaged the attention of the section on electrical engineering during the last year. This section has been responsible for initiating productive facilities in Canada which are growing day by day.

In research on methods of defense against chemical attack, a special committee has organized and directed over 20 research projects with the various university laboratories and in the chemistry division at Ottawa. It has supervised the manufacture of all gas masks produced in Canada.

Good progress has been made, it is stated, in efforts to develop means to ameliorate frost deposition on aircraft; some success has attended tests on a new de-icing fluid for aircraft propellers. This work is ready for pilot production of materials for larger scale experiments. Extensive studies were also made on the use of laminated plastics for aircraft components.

The magnesium laboratory is today engaged in assisting the development of production of this strategically important metal.

Many problems in connection with the storage and transport of food have become of prime importance owing to the difficulties of transportation across the Atlantic, it is pointed out.

Hitherto Canadian bacon has been exported unsmoked under refrigerated transport. The highly perishable nature of unsmoked bacon made it particularly susceptible to spoilage. It has been shown that smoking destroys 99% of the surface bacteria and retards the development of rancidity. Experimental shipments of smoked bacon have proved satisfactory to the British authorities.

Investigation of certain problems relating to the storage of whole blood for transfusion purposes in the combat zone has now been completed, the report states. Preservation of blood by freezing was not found to be practical. Under the best conditions, only two thirds of the cells survived, and this result was attained by suspending the cells in glucose solution and freezing extremely rapidly in liquid air.

Abitibi Sale Motion Comes Up on Oct. 18

Efforts of the bondholders' protective committee for Abitibi Power & Paper Co. to have completed a judicial sale of the company's assets have been renewed.

This action has been forecast by The Financial Post for some time, and follows closely on completion of arrangements for a repayment of $130 per $1,000 bonds in principal. This payment was made October 15.

The Montreal Trust Co., on behalf of the bondholders' committee has reopened the sale proceedings and its motion will be heard in the Ontario Supreme Court at Toronto on Oct. 18 before Mr. Justice Middleton.

Proclaims Moratorium Act

In the meantime the Ontario government has proclaimed its Abitibi Power & Paper Co. Ltd. moratorium act. This act was given assent on April 9, 1941, but was not actually brought into force until Oct. 11 when proclaimed by an Order-in-Council.

It gives the government power to stop proceedings under a sale effort and would halt sale of assets under the company's bond mortgage until Dec., 1942.

It is announced that the province of Ontario will be represented in the proceedings on Oct. 18, by the Attorney-General himself and C. R. Magone, K.C., of the Attorney-General's Department.

It has been the contention of the bondholders' protective committee that this legislation is ultra vires of the Ontario government and it has made no secret of its determination to proceed with the sale. This time it asks for a sale without a reserve bid. When the first sale attempt was held last year, the only bid received, that of the bondholders' protective committee for $30 millions, failed to come up to the reserve bid and to satisfy the master of the court. For this reason the sale was declared abortive.

Adjourned in November

Then in Nov., 1940, the bondholders' committee brought in a motion to have the sale effort renewed, but agreed to have it adjourned, subject to being able to bring it on at one week's notice at any time, while the Ontario Royal Commission was sitting on the affairs of Abitibi.

This Royal Commission made certain recommendations of the lines along which it thought successful reorganization attempts could be made and saw some possibility of an equity for shareholders, depending on continuation of good scale of earnings.

The bondholders' committee, headed by H. J. Symington, declared itself opposed to the recommendations as outlined in the Royal Commission's report, but no action has been taken to implement the proposals which this report contained.

THE FUTURE ASSURED

A trust fund in the care of this company as trustee is a safeguard of the family welfare. Such a fund established in your lifetime will enable you to see it in operation and may prevent the wasting of your estate through the inexperience of your executors.

By establishing such a trust fund you are assured that your financial provisions for your family will be carried out in accordance with your wishes.

Our Charges Are Moderate

MONTREAL TRUST COMPANY
Montreal Trust Building
61 Yonge Street Toronto
J. F. HOBKIRK, Manager

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870

DEPOSITS ACCEPTED — 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1940), $12,147,569
Capital (Fully Paid), $2,000,000 — Reserve Fund, $2,400,000

DUN & BRADSTREET of CANADA, Limited
The Mercantile Agency
ESTABLISHED 1841
20 Offices in the Dominion

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
OFFICES:

Agency Building	Edmonton, Alta.
221 A 8th Ave. W.	Calgary, Alta.
McCallum-Hill Building	Regina, Sask.
411 Avenue Building	Saskatoon, Sask.

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Donnacona

Would you please let me have your opinion on Donnacona "A," as I have some shares in this company?

Donnacona Paper is experiencing an active demand for its various line of products. Earning power has moved ahead and the report for 1941 should show income above that reported in 1940 when 34 cents a share was earned on both classes of stock. Reflecting this improvement in position, the company recently declared an initial dividend of 10 cents a share on its common stock.

Regent Knitting

As a subscriber of The Financial Post, it would be appreciated if you would let me have your views on the position of Regent Knitting Mills.

In common with all other textile operators, Regent Knitting Mills is experiencing a marked expansion in operations and earnings. During 1940 plant operations increased 40% while gross profits of $636,958 compared with $420,728 in 1939. Earnings on the common stock were equal to $1.38 a share, as against 28 cents the year before. In the prewar years the record of earnings was not particularly good, income on the common stock ranging from a deficit of $2.19 a share in 1938 to a profit of 47 cents a share in 1937. However, it should be remembered that because of present conditions the company is able to put itself in a much stronger financial position so as to be better able to maintain operations and earnings in the postwar period.

Investment Bond

It would be appreciated if you would let me have particulars of the holdings in the investment portfolio of Investment Bond and Share Corp., also your opinion as to how long the company will continue paying bond interest.

Investment Bond and Share Corp. does not make public information regarding the holdings in its investment portfolio. The only statement along these lines is that at the end of 1940 the portfolio consisted of 15.58% bonds; 35.91% preferred stocks; 51.75% common stock and 0.72% cash. In the last three years net income of the company has been insufficient to cover the bond interest. In 1940 the debenture interest, after loan interest, was covered 0.77 times. We would not care to hazard an opinion as to how long the company will continue paying interest on these debentures.

Bathurst

Would you be kind enough to let me have your opinion on the Class "A" stock of Bathurst Power and Paper Co.?

Bathurst Power and Paper Co. has been doing very well. In the first half of the current year net profits, after all senior charges, amounted to $406,637, equivalent to $1.02 a share on the Class "A" stock. This compares with earnings of $342,559, or 86 cents a share, in the like period of 1940. For all of 1940 the company earned $1.97 a share on the Class "A" stock. Reflecting improvement in position the company recently declared an extra dividend of 25 cents a share. This was in addition to the regular quarterly dividend of a like amount. Much of the present prosperity of the company arises out of war conditions which have created a seller's market. In the three prewar years earnings of the company ranged from 12 cents a share in 1936 to $1.14 in 1937 and 38 cents in 1938.

Affiliated Motorists

Have you any information on the standing of the 5½% debentures of Affiliated Motorists Ltd. I understand their principal resource is the control of the Dominion Motor Club, Toronto.

The sole assets of Affiliated Motorists Ltd. appear to be the obligations owing to it by the Dominion Motor Club, Inc., which was forced to discontinue operations earlier this year by the Ontario Securities Commission.

As matters stand, these bonds appear to be worthless, but we understand there is a possibility of a new interest taking over the Dominion Motor Club and continuing its operations. In so doing, we understand, that there are tentative plans for the assumption of the Affiliated Motorists' bond issue at the rate of 40% of principal and interest, the bonds to mature in 1953.

This remains a somewhat distant possibility. As the bonds were sold without the authority of the Ontario Securities Commission, that Commission believed until recently that none of the bonds were outstanding. They have since received numerous complaints and are investigating the methods used in selling the bonds.

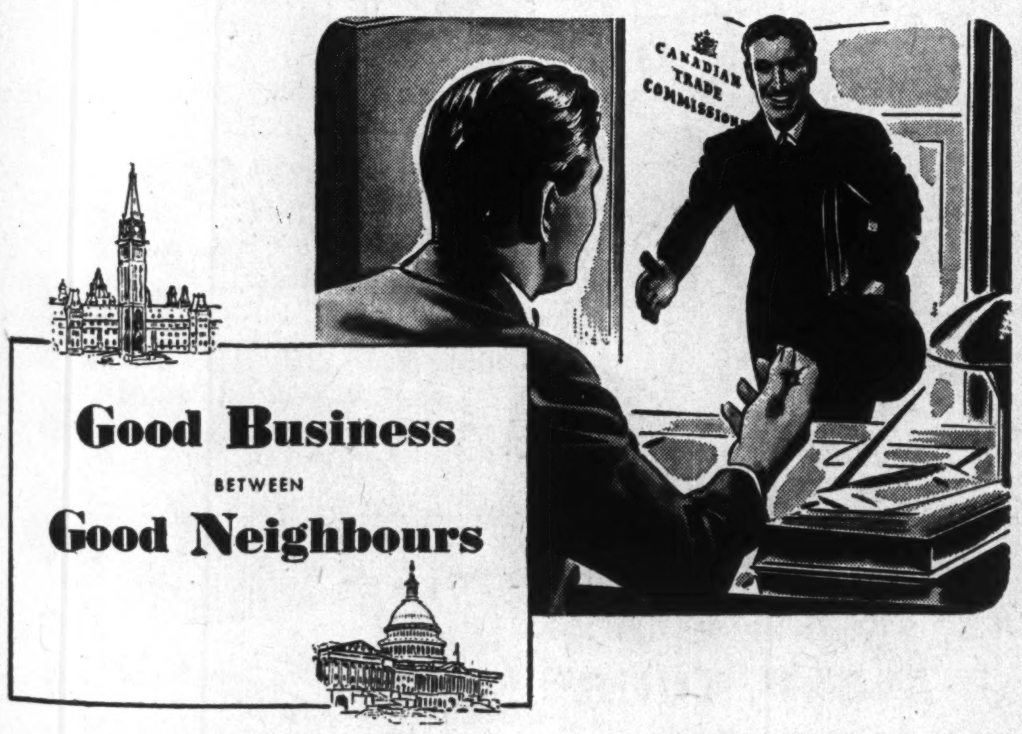
Zeller's Sales Up 20% During Past Month

From Our Own Correspondent

MONTREAL.—Sales of Zeller's Ltd., variety chain store operators, for September, totalled $711,918, or 20.30% over the $591,438 reported in the same month last year.

Cumulative sales of the company for the eight months' period from February 1 to September 30 this year, amounted to $5,623,118. This represents an increase of 25.83% from sales of $4,468,907 for the same period a year ago.

The ADMIRAL BEATTY
Modern. Fireproof. Well-appointed. Garage adjacent. 250 rooms from $2 single, $3 double. Cafeteria.
E. B. SWEENEY, Mgr.
SAINT JOHN
NEW BRUNSWICK, CANADA



THE warm friendship that good neighbours entertain for each other becomes still more firmly cemented through the carrying on of business of mutual benefit and profit.

Canada is steadily increasing her volume of trade with the United States in the products of her forests, mines, agriculture and other sources.

The United States dollars that are used in buying Canadian products are promptly returned to pay for Canadian purchases of war materials and equipment from the United States.

To afford all possible assistance toward increasing the volume of Canadian exports to the United States the Department of Trade and Commerce is now represented by three Trade Commissioners.

These Trade Commissioners are at your service. Enquiries relative to export trade of specific commodities may be addressed to them in their respective territories.

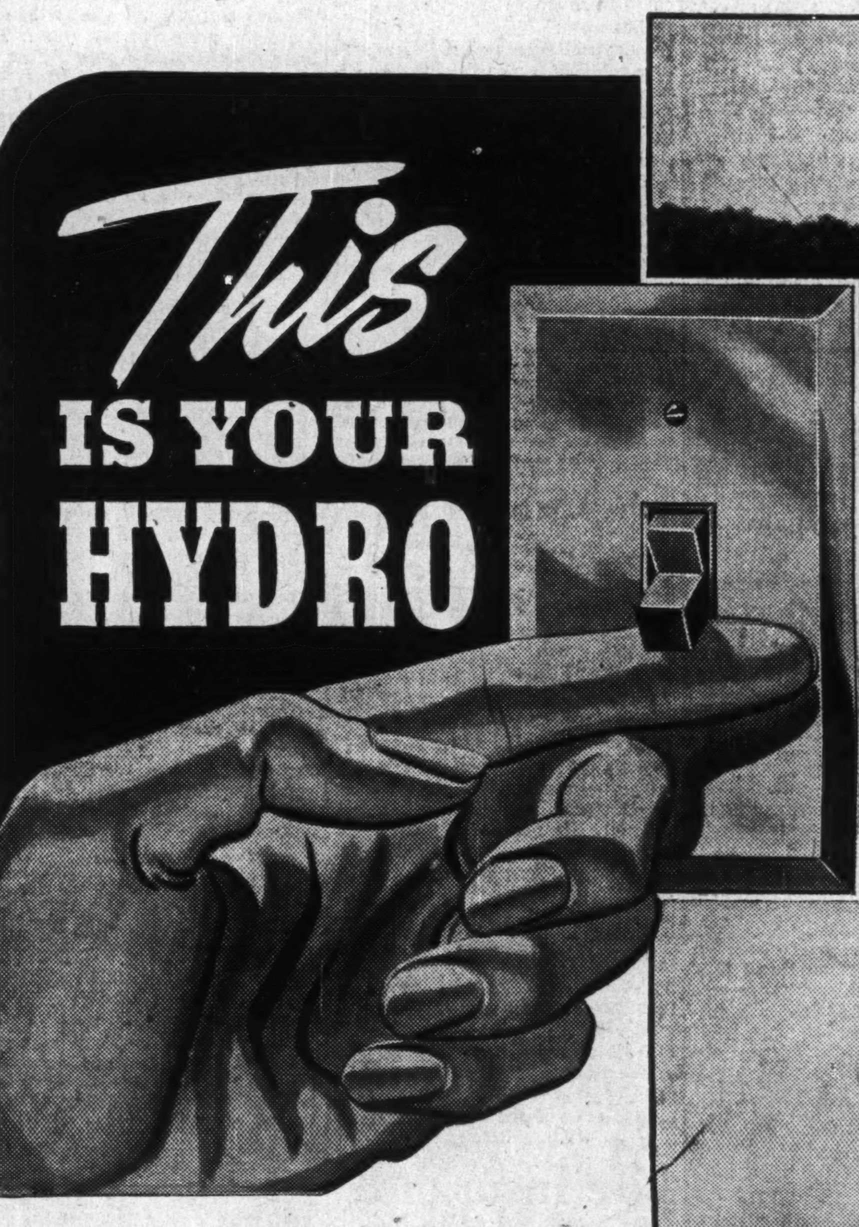
Canadian Trade Commissioners in the United States:

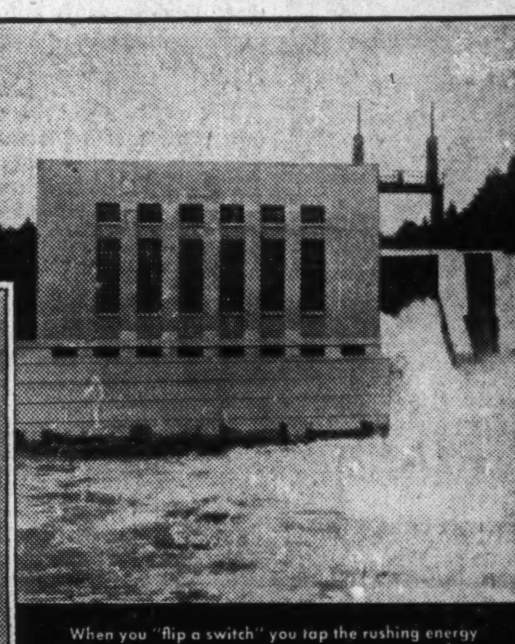
B. C. BUTLER, 510 West Sixth St., Los Angeles, Cal.

D. S. COLE, British Empire Bldg., Rockefeller Center, New York City, N.Y.

M. B. PALMER, 435 North Michigan Ave., Chicago, Ill.

THE DEPARTMENT OF
TRADE AND COMMERCE
Ottawa
HON. JAMES A. MacKINNON, M.P., *Minister* — L. D. WILGRESS, *Deputy Minister*

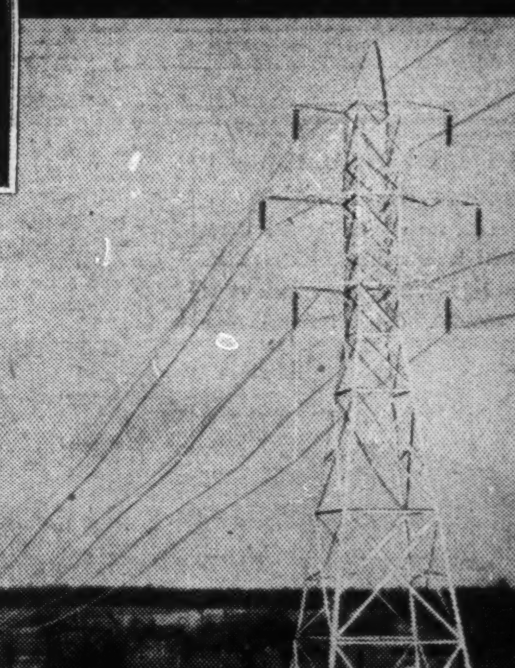


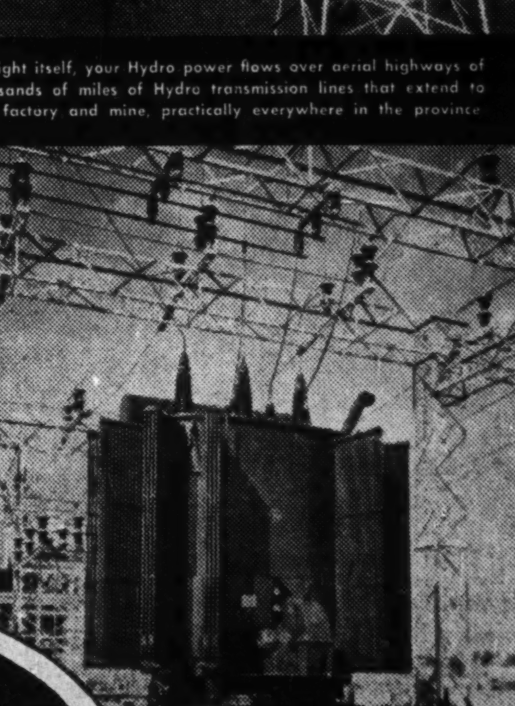

When you "flip a switch" you tap the rushing energy of a river or waterfall perhaps hundreds of miles away — transformed for you into useful electric power by one of 46 Hydro generating stations.

CASUALLY you flip a switch . . . and there, instantly responsive to your command, is the magic servant of modern times—electric power. Electricity to light your home and the street you live in . . . to tend your furnace, pump and heat your water . . . to cool and cook your food . . . to do the household work, to make life easier in a thousand ways. And throughout the thousands of Ontario industrial plants, the turning of a switch is the symbol of war production driving ahead "in high"—of power to produce the guns and ships and tanks, the planes and munitions that will win the war.

It's all so easy, so simple, so matter of fact, so dependable . . . no wonder we take Hydro service for granted. Yet behind that casual snap of your finger lie the thundering waters of Niagara and many other mighty rivers . . . a system of 46 Hydro generating stations, producing hundreds of thousands of horsepower . . . a network of thousands of miles of Hydro lines . . . the services of your own municipal Hydro utility . . . in sum, a modern triumph of engineering and organization at your command.

But do not think of Hydro as an impersonal thing, a machine. *This* is your Hydro: — modern science and thousands of willing hands organized to serve your needs in the way you want them served . . . and at a *low cost* that is scarcely rivalled anywhere.


Swift almost as light itself, your Hydro power flows over aerial highways of steel . . . the thousands of miles of Hydro transmission lines that extend to town and farm, factory and mine, practically everywhere in the province.


Here is the heart of modern electrical living in your town . . . the transformer station where your municipal Hydro utility "takes over", and distributes for your benefit, power generated by The Hydro-Electric Power Commission.

BUY WAR SAVINGS CERTIFICATES

—IT'S YOUR HYDRO SYSTEM—

OUR WAR EFFORT RELIES ON IT... YOUR COMMUNITY DEPENDS ON IT... YOUR SUPPORT MAKES IT STRONG

HN-81

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

BRANCH OFFICES FROM COAST TO COAST
The EXCELSIOR INSURANCE LIFE COMPANY
A STRONG CANADIAN COMPANY

Commenced Business 1906
MONARCH LIFE ASSURANCE COMPANY
A PROGRESSIVE CANADIAN COMPANY

Don't Let Me Down, Daddy!

HE has sublime faith in "Daddy's" power to guard him from mischance. No man would willingly betray such trust. Even so, every father is subject to the contingency of a shortened life. Failure to provide against it may let his loved ones down into a sea of want.

The way to avoid this disaster is to own enough Life Insurance to guarantee a monthly income to his family. Then his protective power will live on even if he is taken away.

If you are not absolutely sure that your family would have enough money to live on month by month, fill in and mail the coupon below. It will bring advice as to how best to arrange such an income within the means at your disposal.

Established 1887

THE MANUFACTURERS LIFE INSURANCE COMPANY
HEAD OFFICE • TORONTO, CANADA

(Mail this coupon to local address given above)
I want to know how best to provide a monthly income for my dependents within the means at my disposal. It is understood that your advice does not place me under any obligation.

Age............Name..
Address..
....

2nd Inter-State Royalty Reports on Position

Second Inter-State Royalty Corp. reports investments in oil royalties as at July 31, 1941, had a book value of $245,500. Gross revenue from royalty income since acquisition amounted to $52,991 to June 30, 1941, and reserve for depletion totalled $14,573.

During last June the corporation had a gross royalty income of $532, while accumulated royalty income for 1941 to the end of June amounted to $3,762.

Then— Protect Them Today Our "Budget" Way!

TODAY patriotic Canadians are called upon for money for this and money for that. There is an extra strain on income—most patriotic people in Canada simply have *got to* budget their expenses. Realizing this, The Dominion Life developed its plan of "Life Insurance on a Budget". With this plan *you* set aside so much per week or month, and *we* plan for you the maximum sum of life insurance it will provide.

The Dominion Life's original "Life Insurance on a Budget" plan has been adopted, and is appreciated, by hundreds of people.

Is adequate Life Insurance on *your* budget?

GET ADEQUATE PROTECTION—GET IT NOW!

Just write telling us your age and how much you can budget each month. We'll let you know how much that sum will provide in life insurance protection, with a plan to suit your needs.

FREE! We will be glad to send you free our booklet "Better Living Through Planned Spending"—a simplified system which will help you plan your war-time expenditures. Remember V...—

THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE • WATERLOO ONTARIO

Life Insurance

Industrial Companies Can Teach Lessons

Officer of United States Company Writing Ordinary Insurance Finds Study of Industrial Agents' Methods Profitable

Life insurance companies that write only ordinary policies can learn much from the companies that specialize in industrial business, W. M. Trentman, vice-president of the Occidental Life Insurance Co. at Raleigh, N.C., told the American Life Convention at its annual meeting in Chicago last week.

The American Life Convention includes in its membership about 100 United States and Canadian companies. A substantial number of Canadian life insurance executives attended. Mr. Trentman spoke as representative of a company selling ordinary insurance as distinct from industrial.

One characteristic of the industrial companies he had noticed was the speed with which they were able to handle business.

Training Personnel

He also declared industrial companies had made vast strides in the training of their personnel to improve and simplify the relation between policyholder and company. The industrial companies' agents in the United States led all others in the number of C.L.U. degrees, he said.

Other things which, he thought, the ordinary life insurance men could learn from the industrial companies were:

Industrial agents must follow regular habits of work while many ordinary agents do not.

Closer supervision of company personnel in the office and in the field pays.

Not only supervision of their work but help with their personal problems as well causes them to do better work.

The stabilized income for agents levels out the feast and famine progress of the ordinary agent's compensation plan.

"Of course we are already making steps in this direction of improvement," he stated, "but we can also learn the value of systematized training so that men will develop proper work habits. From industrial companies we may even learn to do away with the part time man."

Serving Policyholders

Ordinary companies might learn the value of regular servicing of policyholders in a simple comprehensive way, he thought. He stated that the agent who uses simple words and phrases with which the prospect is familiar gets the business and that the ordinary companies can learn from the industrial companies that the man who makes regular friendly calls at the home of his policyholder not only gets the business but also had a better chance of keeping it.

It is true, he said, that industrial costs "seem a little high to us (ordinary insurance men) yet from you (industrial companies) we have learned that the real measure of cost is not what a man pays but what he gets for what he pays. The regular service calls cause the policyholder to feel important and also make him feel as though he is part of the company." Many people, he stated, also prefer to pay weekly premiums even if they might save by paying premiums on a different basis.

Ordinary life companies are, he thought, learning from the industrial men to arrange the method of premium payment according to the manner in which the policyholder receives his wages, salary or income.

The ordinary company, he stated, may also learn from the industrial to gear its machines to the level of the crowd.

"I want to emphasize that from you industrial men we ordinary men have learned that doing what the people expect, at the right time, in a simple and persistent way (house to house, person to person calls, regular collections, constant consciousness of stewardship) appeals strongly to the few smart enough to appreciate the value of your methods as well as the thousands who wouldn't or couldn't pay life insurance premiums in any other way," he concluded.

Life Insurance Prizes Offered

The Financial Post Offers Cash Awards for Best Programme Submitted

Frequently enquiries are received by The Financial Post as to just how the individual can best use life insurance to meet the financial needs of his dependents, his business and himself. These enquiries come from policyholders and intending policyholders. They indicate the important place life insurance occupies in the affairs of the average Canadian. Wartime has brought certain abnormal conditions such as increased income taxes, a higher cost of living, and the entry of the Dominion Government into the succession duty field, making consideration of the problem even more important.

The Financial Post accordingly has decided to offer a contest, open to everybody and with substantial cash prizes for suggested life insurance programmes suitable for four broad income groups. Contestants may supply such details as they think necessary to round out the picture.

Four prizes of $50 each will be awarded, one for a suggested programme for each group with an additional $50 for the best paper submitted.

The general basis of judging will be to consider not only the soundness of the programme for the particular individual assumed, but also its presentation of the broad general policy to be followed by each general type of insurance buyer outlined.

Prize winning and selected articles will be published from among the entries.

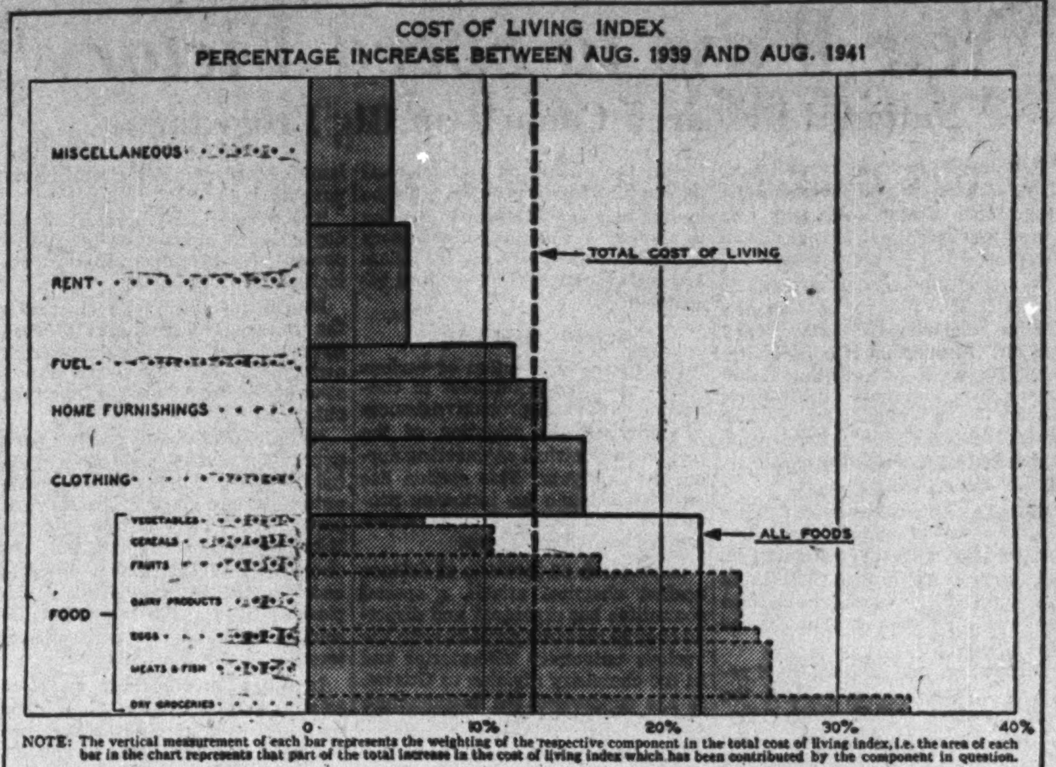
Details of the contest and its conditions are given in an announcement which appears on page 18.

Foreign Exchange

During the week Oct. 7 to Oct. 13 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Oct. 13

Australia	3.58	S. Africa	4.47
India	.3353	Hong Kong	.2835
N. Zealand	3.61		



The decisive and continuing rise in the cost of living is a well-known bitter fact for all Canadians and one of the factors being most closely watched by Canada's anti-inflation police. This Bank of Canada chart shows the percentage increase in the various categories of expenditure, also the importance of each category in relation to total family expenditure.

Ontario Fire Losses are Up

Higher for Quarter But Down for Nine Months

In the third quarter of 1941 Ontario had 837 more fires than in the same period of last year. The total monetary loss was higher as well as the loss covered by insurance, according to the report of the Ontario Fire Marshal for the three months ended Sept. 30.

Large fires during the three-month period included a sawmill at Pembroke, loss of $216,353; a metal products factory at Hamilton, loss $100,000; and the Ontario Club at Toronto, loss $85,040.

While the figures for the third quarter were larger than the same period last year, they were substantially lower than for the three months immediately preceding.

Total results for the nine months were lower than for the first nine months of 1940 in number of fires, total loss and insurance loss.

	Third Quarter 1941	Third Quarter 1940
No. of fires	3,978	3,141
Total loss	2,208,936	1,739,851
Insurance loss	1,810,612	1,442,151
	First Nine Months 1941	**First Nine Months 1940**
No. of fires	11,949	12,075
Total loss	6,096,392	6,362,404
Insurance loss	5,087,718	5,451,312

The Ontario Fire Marshal makes special mention that the number of fire crimes has steadily decreased, especially in the class of incendiary fires set for the purpose of collecting insurance. Fires started by pyromaniacs and juveniles, however, have increased.

Fires in industry, during the period, caused a loss of more than double that in the second quarter. The 89 industrial fires in the three months at $603,284 compared with $275,835 in the second quarter and $199,273 in the first quarter.

In the second year of the war, Oct. 1, 1940, to Sept. 30, 1941, there were 353 fires in Ontario industries with a total loss of $1.3 million, of which $1.1 million was insured, an increase of 23% in number and of 27% in the amount of the loss, over the industrial fires in the first year of the war.

Classification of fires and causes of fires in the third quarter follows:

Classification of Property

	Fires
Brick dwellings, prot.	1,224
Frame dwellings, prot.	970
Brick dwellings, unprot.	25
Frame dwellings, unprot.	282
Other dwellings & farm risks	582
Other 2 or 3 year risks	133
Mercantile risks—Wholesale	22
Do., retail	183
Other mercantile risks	33
Breweries & malt houses	1
Boot & shoe factories	..
Canning factories	1
Conf. & biscuit factories	1
Flour & oatmeal mills	9
Grain elevators	1
Laundries	15
Sawmills	6
Lumber mills	10
Machine shops & metal works	46
Mining risks	6
Pork packing & curing houses	3
Pulp & paper mills	2
Street car barns	..
Tanneries	1
Woodworking factories	13
Woollen & knitting mills	8
Other mfg. risks	62
Other 1-year or short term risks	283
Sprinklered risks, all classes	35
	3,957

Classification of Causes

	Fires
Chimneys, flues, etc.	104
Stoves, furnaces, etc.	183
Hot ashes, coals, etc.	79
Sparks on roofs	114
Exposure fires	19
Smoking	1,057
Matches	203
Lights (other than electric)	96
Electricity	388
Lightning:	
Unrodded bldgs.	650
Rodded	4
Spontaneous combustion:	
In barns	3
All others	27
Petroleum and its products	154
Incendiarism	14
Miscellaneous	256
Unknown	606
	3,957

Insurance Problems

Aviation and Disability

I am about to take an airplane flight for the first time. But I notice the disability clauses in my life insurance policies state that if I engage in aeronautics, the disability clause is automatically terminated. Would my flight be regarded as engaging in aeronautics? If I return safe and sound from my airplane trip, and two years from now become disabled through any illness, would my disability coverage be of no use? My policies are about 12 years old.

—

This clause terminating the disability clause if the insured engages in aeronautics was inserted in policies when airplane travel was in its infancy. The companies, at that time, undoubtedly had no thought that airplane travel would be as common as it is today.

However, it is in most policies issued at the time you took yours out and has to be reckoned with. Generally speaking, it appears to have been designed to protect the company against claims for disability arising out of injuries sustained on an airplane flight.

It is believed unlikely that any company would invalidate the disability clause as far as disability arising from other causes is concerned. But as long as the clause is there, without any qualification, it throws you on the generosity of the company as regards future disability benefits. In other words the company is in the driver's seat as to whether it would pay benefits or not. The best procedure for you would be to take up the matter with the company or companies in writing, stating your intention and giving full particulars as to your policy numbers, the exact wording of the clause, etc.

Then get a statement signed by a responsible officer of the company as to what its attitude is. The chances are the company will be willing to give you some endorsement or supplementary clause protecting you against the loss of the disability coverage if you became disabled from some other cause. Until you have something like this, however, the matter could be dealt with entirely at the discretion of the company. An official ruling would give you a legal right instead of having to rely on the company's generosity.

There does not appear to be any legal definition of what aeronautics would include in a matter of this kind, but a company might easily claim it meant one airplane flight and a law court might conceivably sustain that view.

Insurance Notes

The Royal-Liverpool Insurance groups have converted their Montreal department into a Montreal branch office, which now has jurisdiction over all classes of business except life, in Quebec province, Montreal and eastern Ontario.

The Montreal branch office will be under the direction of J. W. Dooley, supported by R. A. Musy, agency superintendent; R. Beaudry, fire superintendent; and J. D. Mason, casualty superintendent.

Inland transportation will be under the direction of R. J. Chillas, inland marine superintendent.

Life agency business will be managed by A. Y. Wilks, superintendent of life agencies for all Canada. With him are associated R. H. Bertrand for Montreal, and L. G. Chartrand for suburban business. Service offices for all classes of business are also maintained at Quebec City and Ottawa.

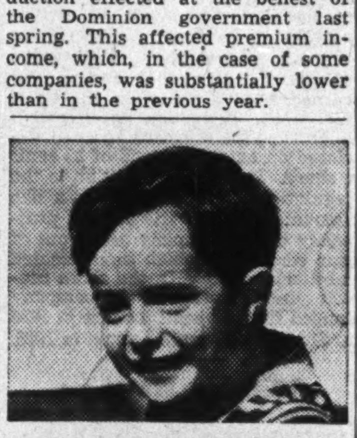
• • •

A. T. Cunningham of Toronto has been appointed fire superintendent at the Canadian head office of the Phoenix Assurance Co. of London, England, and associated companies, at Montreal. Wm. Lawrie of Montreal is manager for Canada.

See Loss Rates High on Hail

Preliminary estimates of the hail insurance loss ratio in western Canada for the 1941 season which ended Sept. 15, range as high as 60 or 70% in the case of some companies which do considerable hail business, it is understood.

The acreage covered by insurance was reduced substantially owing to the unfavorable sowing conditions in many areas and the acreage reduction effected at the behest of the Dominion government last spring. This affected premium income, which, in the case of some companies, was substantially lower than in the previous year.



Will he go to COLLEGE?

Of course he will, you say. But suppose you are no longer there to provide the necessary income? Will your present life insurance meet that need? Will it assure your family's security in *every* respect?

A Mutual Life representative can help you plan *now* for "continued income" with a policy that *guarantees* security for your family . . . *plus* an adequate life income for yourself at retirement age . . . all at a cost well within your means.

For war-time needs...the new "VICTORY POLICY"

To help you combine substantial war savings with *adequate* provision for "continued income," the new "Victory Policy" has been specially designed by The Mutual Life of Canada. Premiums are exceedingly low for the first few years, yet protection is *immediate* and *permanent*. This policy is especially attractive to men and women with modest incomes.

See your nearest Mutual Life representative for complete information about the new "Victory Policy" and other "continued income" plans. Or write The Mutual Life of Canada, Waterloo, Ont. Do it today!

THE MUTUAL LIFE OF CANADA
ESTABLISHED 1869
"Owned by the Policyholders"

The WAWANESA Mutual Insurance Company
Organized in 1896

Assets	$2,894,436.70
Surplus	1,513,855.65
Dominion Gov't Deposit	1,041,353.56

Write for Financial Statement

Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton
2,000 Agents Across Canada

FIDELITY Insurance Company of Canada
TORONTO

$1,46[illegible]
DIVIDENDS RETURNED TO POLICYHOLDERS IN 1940

. . . a convincing demonstration of how a mutual fire insurance company, operated for the benefit of its policyholders, can effect definite, clear-cut savings in their insurance costs.

These benefits are available to YOU today. Enquire now—local agents and branch offices across Canada.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
CANADIAN HEAD OFFICE • VANCOUVER

HOME ASSURANCE COMPANY OF CANADA
Head Office: Lancaster Bldg., Calgary
FIRE, AUTOMOBILE, HEALTH & ACCIDENT INSURANCE
Application for Agencies Invited.

Fire Insurance and Allied Lines
AGENCY INQUIRIES INVITED
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FIRE and WINDSTORM
SERVICE THAT SATISFIES!
THE SHIELD OF PROTECTION

To Policyholders and Agents alike, it is a strict rule of The Portage Mutual to give complete, friendly service in all its dealings, including satisfactory adjustments and speedy settlement of claims. And remember, too, Portage "Service that Satisfies" means "Service with Security".

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Thrift among your employees should be encouraged for a number of reasons. Thrifty people are usually reliable, hard-working, and able to shoulder responsibility. Thrifty people usually provide for their dependents and for their own retirement years.

A Great-West Life Salary Savings Plan will enable your employees to pay for their own life insurance protection and savings in convenient monthly salary deductions. It will foster goodwill and cooperation and will help to stabilize personnel. It will help employees stand on their own feet, and it will entail no expense on the part of the employer.

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Right now you can put yourself and your family on another pay roll that will take over when your pay stops coming in. No need to save up to meet big insurance premiums. It's a special Budget Policy featuring deposits you can afford out of this week's pay envelope.

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Head Office TORONTO, CANADA

Banking

Country Bank Profits

U. S. Banker Sees Ways of Increasing Them

Lending money is one of the most important sources of bank revenue in both Canada and the United States.

At the annual meeting of the American Bankers Association, in Chicago, Fred L. O'Hair, president of the Central National Bank of Greencastle, Indiana, said that there is good profit in country banking by combining the principles of mass production with a programme of personal merchandising. Some of his remarks might be helpful to Canadian branch managers. Some will not apply because the unit system of American banking differs from the branch system in Canada.

By FRED L. O'HAIR

A recently published comparison of reports of the Bank Management Commission of the American Bankers' Association shows the ratios of net operating earnings to deposits of all insured banks 28% lower in 1940 than 1937; net profits ratio 21% lower. Ratios of earnings from all sources have been lower each succeeding year of the four year period.

The rapid rise in deposits in this period may somewhat distort the picture by the use of these ratios. Nevertheless our job is to convert deposits into earning assets for profit. The trend of profits has been downward for a quarter of a century. We have lived with the problem, have tried various solutions, but apparently have not found the correct answer.

I suggest that we examine our business with a critical eye, and from the viewpoint of an outsider. Call it self-analysis of a country banker.

Changes in 20 Years

Until some 20-odd years ago our typical bank in Smalltown employed about two thirds of its earning assets in local loans and about one third in securities. Now that proportion is approximately reversed. Then, having a ready outlet for loans we concentrated our efforts on obtaining more deposits. We popularized our business by encouraging large numbers of people to open accounts with $1. We advertised "pay bills by check" and "save for a rainy day." We recognized our dependence on people rather than methods, or formulas, or securities. Since then we seem to have drifted away from the relationship of mutual dependence existing between the public and the bank.

From a review of the intervening period an outside observer would note four major phases, overlapping in their succession, in our effort to maintain profits.

1. Local loans decreased and were replaced with securities.

2. Becoming outgo conscious, we reduced interest on deposits.

3. Again becoming income conscious we introduced service charges.

4. Becoming slightly more conscious of the need for public patronage, we attempted to transplant the loan business, as it has been developed by others, back to the bank.

Now we are completing the cycle by again emphasizing numbers with the "pay as you go" account—repopularizing the bank.

It is true that these steps have produced profits on paper. They were introduced to the customer as rules, one after another, at increasing expense to him. Interest on deposits gradually reduced, service charges gradually increased. In these respects at least we have been trying to make an existing business machine produce increasing income to cover increasing outgo.

Railroads Tried It

The same general idea was used by the railroads for a generation or two without success. Finally the speed, comfort, and lower prices of the streamlined train converted passenger loss into profit. The utilities tried it a while, but caught themselves in time—with the help of the legislature. The coal industry tried it, but the public found substitute fuels.

Perhaps we haven't made enough effort to produce profits by improving our product, enlarging our field, reducing our costs and prices. Yet the success stories of America fall into one general pattern—giving the customer a better product at a lower price. Other businesses with products of general use have profited by large volume with small margins.

Our stock in trade is one universal commodity, money and credit, which is the thing people use as money. Twenty odd years ago some 25,000 banks did the credit business of the country. Now 13,000 of us compete with more than 25,000 other sources of credit, not including government agencies. An entirely new generation of potential customers has grown up to depend on others than ourselves for their credit needs. In the same time other businesses have developed their products from mere experiments into every day necessities. What do these other businesses have that we don't have? Salesmanship, mostly.

The Sales Problem

Until recently we have not had a sales problem. The customers came voluntarily, and usually bought on our terms. Consequently our training has been in credit extension rather than selling. We are definitely credit-minded rather than sales-minded.

There seems to be a characteristic distinction between credit men and salesmen. The credit man develops an instinctive caution. He thinks in terms of losses. The salesman thinks in terms of volume. He reasons that he must have customers before he can have profits. But the successful businessmen seem to combine these two characteristics, properly balanced, to produce net profits from volume. We already have the credit viewpoint and the necessary conservatism. How can we adapt sales methods to our business? Thinking of ourselves as money-merchants may help.

Our product — credit — is good. Everybody uses it at one time or another. Not only do we have a better margin in retailing than wholesaling, but that is our natural field. Our job is to develop that field; to carry a better understanding of it to the public.

While we are doing this, however, perhaps we should give some thought to equipping ourselves with a better understanding of the money needs of the public. Sales managers gather all available facts regarding their markets. They test public opinion. We can use the same method.

If our money store is to maintain our proper place in the community we must be prepared to serve the trade. Has our sales force—our entire personnel—been taught how to sell our merchandise properly? Is our board as well as our staff imbued with the spirit of the bank? Complete, well-prepared reports to directors will help stimulate them to action if it is needed. Show them facts—reasons why—profits, and they will respond splendidly. Both employees and directors naturally expect the "head man" to take the lead.

Analysis From Outside

Today more than ever before we can afford to spend money on modern equipment. Perhaps a look at our inside operations will disclose some expensive habits.. In 13,000 banks there are probably 13,000 ways of doing the same thing. We each have our pet procedures, but do we know that our way is best? A thorough analysis by an outsider will probably save its cost many times over, provided the analyzer is competent.

The best equipment in the bank is, of course, knowledge. It isn't enough to know our business. We need knowledge of the resources of our community and people, particularly their possibilities.

Credit knowledge is perhaps the most important merchandise we have to sell. Although competitors also have credit to sell, the bank is still the recognized local credit authority, the major source of credit information. Naturally we have credit information on the customer. What do we have on the man who might become a customer? Surveys have shown that borrowers want action and attention. If we know enough about them in advance they get both; and we get the business.

MOVING

M Rawlinson Ltd.

610 Yonge St. Toronto Est 1885

STORAGE PACKING SHIPPING

KINGSDALE 5125

Banking Service

1817 - 1941

BANK of NEW SOUTH WALES

Head Office: Sydney, Australia

General Manager: SIR ALFRED DAVIDSON, K.B.E.

Assets of £143 millions. Over 870 branches in Australia, New Zealand & Pacific Islands.

London Offices at 29 Threadneedle St., E.C.2. and at 47 Berkeley Square, W.1.

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TO SELL LOCAL PEOPLE—LOCALIZE YOUR PROGRAMME!

ALL city people don't live in *big* cities. And they don't like to be reminded that their own cities aren't big. If your radio programme is to pull its weight, it must avoid offending local viewpoints.

That's one of the reasons why smart radio advertisers are concentrating on All-Canada — because All-Canada are exclusive representatives of key stations in the best localities right across Canada.

Spotting your programme on these key stations assures you the best time of day for your particular product in each time zone—in each geographical area. Thus, your programme may be slanted to meet particular local conditions anywhere. Because so many of All-Canada programmes *are* slanted to local preference, most All-Canada stations are the *preferred* stations in the communities they serve. That local preference is yours for the taking.

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MONTREAL • TORONTO • WINNIPEG • CALGARY • VANCOUVER

Weekly Bank Clearings

Halifax	3,650,170	+ 9.7	4,404,464
Saint John	2,203,238	+ 1.5	2,430,268
Moncton ...	1,101,093	+23.7	1,185,696
Sherbrooke .	1,265,808	+47.6	999,435
Quebec	5,172,549	— 2.3	5,461,810
Montreal ..	135,492,526	+51.6	140,020,768
Ottawa	60,488,465	+50.5	40,063,030
Kingston ..	869,527	+ 7.9	851,513
Peterborough	767,772	+ 9.8	830,673
Toronto	139,323,884	+37.4	140,098,941
Hamilton ..	7,384,190	+33.1	8,194,328
Kitchener ..	1,218,712	+ 8.4	1,398,476
Brantford ..	1,219,135	+16.5	1,222,931
London	3,012,452	+16.7	3,310,768
Chatham ...	699,568	+ 8.3	631,577
Windsor	3,201,408	+14.9	3,652,755
Sarnia	457,800	— 3.6	582,532
Sudbury	1,003,212	— 2.7	1,263,859
St. Catharines	1,186,652	.. ..	1,421,956
Fort William	1,168,166	+44.9	1,006,897
Winnipeg ..	56,994,678	+ 9.4	68,257,047
Brandon ...	517,700	+ 6.8	531,517
Regina	6,394,473	—22.4	6,022,349
Moose Jaw .	729,033	— 4.3	908,753
Saskatoon ..	1,854,228	— 6.3	1,966,537
Prince Albert	544,379	+22.6	494,529
Edmonton .	5,234,987	+ 8.2	5,489,053
Calgary ...	6,711,117	— 6.8	6,099,478
Lethbridge .	613,290	+ 7.3	699,980
Medicine Hat	465,428	+17.2	426,206
N.W'minster	975,980	+22.7	1,051,634
Vancouver .	19,707,010	+14.7	24,065,785
Victoria	2,166,645	+ 8.9	2,150,864

Public Utility Earnings

Jamaica Public Service

August	1941	1940
Operating revenues ..	$ 106,118	$ 95,710
Gross inc. after retire. reserves	31,183	28,302
Net income	22,736	19,604
12 Months Ended August 31		
Oper. revenues	1,177,607	1,053,369
Gross inc. after retire. reserves	343,246	315,168
Net income	238,834	207,413

Subject to adjustment and audit. The above figures have been converted from pound sterling at the rate of $4.86 2/3 to the pound.

Bank of Canada Sterling Drops

Second Operation With Foreign Exchange Control Board Indicated

A drop of $94 millions in holdings of sterling and U. S. dollars is shown in the statement of the Bank of Canada for the week ended Oct. 8.

The decline, believed to be entirely in holdings of sterling, is probably the result of the repurchase by the Foreign Exchange Control Board of sterling sold to the Bank of Canada for Canadian dollars in recent months. These Canadian dollars have been required by the Board to hand over to the British authorities, under an agreement between the Canadian and British governments. These Canadian dollars are for the purchase of war supplies for Britain in Canada. When the sterling is accepted by the Bank from the Board, it is understood there is an agreement the Board will repurchase it when it has the funds. Evidently the funds have been made available to the Board from the proceeds of the last war loan. This is the second operation of this kind since July 1.

Investments of the bank were a little higher. The net result is a drop of about $92 millions in total assets. This was offset on the liability side by a drop of $98 millions in total deposits, the decline being entirely in the deposits of the Dominion government. Circulation was up about $4 millions and miscellaneous liabilities $3 millions.

	Oct. 8 1941 $	Oct. 1 1941 $
Liabilities		
Cpaital paid-up	5,000,000	5,000,000
Notes in circ.	440,731,526	436,850,742
Rest fund	3,722,910	3,722,910
Depos.: Dominion ..	22,131,924	125,630,305
Banks	208,869,431	207,230,542
Other	8,033,014	4,604,530
Total deposits	239,034,369	337,465,377
All other liabs.	13,269,102	9,968,234
Total liabs.	701,757,907	793,007,263
Assets		
In sterling & U. S. ..	15,844,520	109,294,520
Subsid. coin	527,599	579,968
Advances	1,000,0000	1,000,000
Invsetments:		
Dom. govt. short .	517,219,746	515,921,889
Other Dom. govt. .	148,491,275	146,434,072
Total invest.	665,711, 21	662,355,961
Premises	1,815,428	1,815,290
All other assets	16,859,339	17,961,524
	701,757,907	793,007,263

Bank Chat

A.B.A. Convention

At the annual meeting of the American Bankers' Association in Chicago recently much of the discussion centred around public relations. Samuel N. Pickard, president of the National Manufacturers' Bank of Neenah, Wis., told the meeting he found efforts to tell the story of American banking to the people at large were beginning to show results.

"The Association and its officers have been convinced that the American people were inherently fair in their thinking and consideration of any important subject provided they were in possession of the accurate and dependable information about it. Consequently," he said, "a thorough and ceaseless effort has been put forth to present in every way possible the true story of the inside of banking to a large cross section of the population of our country from coast to coast. This sort of activity is seldom spectacular and far-reaching effects are not fully appreciated by many of our bankers. I contend, however, the programme has passed the experimental stage and is now beginning to click. Thus we can start to consolidate our gains and our efforts will be easier to measure from here on."

Some years ago Canadian banks adopted a similar plan of telling the public the story of banking with good results.

* * *

Canadians Registered

The attendance at the convention was large, about 3,500 registrations. Canadian registrations were:

JOHN J. DENISON, manager, foreign department, Dominion Bank, Toronto.

A. K. HARVIE, supervisor, foreign department, Canadian Bank of Commerce, Toronto.

HORACE T. HUNTER, president, the MacLean Publishing Co. Ltd., Toronto, and director, the Bank of Toronto.

HARRY T. JAFFRAY, president, Canadian Bankers' Association, and general manager, Imperial Bank of Canada, Toronto.

J. LEROY LAWSON, supervisor, Royal Bank of Canada, Montreal.

ERNEST HUGH MITCHELL, assistant superintendent, Canadian Bank of Commerce, Toronto.

ROBERT RAE, general manager, the Dominion Bank, Toronto.

REID J. SMITH, foreign relations department, Bank of Nova Scotia, Toronto.

* * *

Functions in Wartime

One function of the banks in wartime was declared to be the encouragement of saving and thus helping check the inflation that might result from uncontrolled spending. Another was the extent to which they could help sell defense savings bonds. The bulk of the $1.3 billion of these defense savings bonds sold in four months it was claimed were sold by the bankers of the United States. Thus said Robert W. Sparkes, vice-president of the Bowery Savings Bank of New York City.

The Eyes of the **WORLD** *are on* **CANADA**

In the "World of Tomorrow", Canada may well be a "key" country.

Expansion of war industries is providing plant and equipment, much of which will be of potential value for peacetime use.

Many new kinds of goods are now being and will be produced in Canada and there is also a flow of new industry from Abroad.

An influx of new population will mean larger markets and more production.

Forward looking Canadians will make their plans now for the future.

A good banking connection is of great value for both Canadian and Export transactions. Your use of this Bank's services will be welcomed.

BRANCHES FROM COAST TO COAST IN CANADA; in Newfoundland, Jamaica, Cuba, Puerto Rico and Dominican Republic

London, England; New York; Boston

Correspondents Elsewhere.

The first job is to win the war | BE THRIFTY | Buy War Savings Certificates

The BANK of NOVA SCOTIA

EST'D. 1832—OVER A CENTURY OF BANKING EXPERIENCE

FIGHT

OR HELP TO

FINANCE

THE FIGHT

That is the responsibility of every Canadian

Canada needs workers as well as fighters.

But those who work while others fight should hasten victory by their savings.

Put it up to your employees that they are only asked to lend. It isn't even a sacrifice. Their money will come back to them with compound interest.

Make it easy for your workers to save and lend. Canada needs their dollars now. They will be glad of them later.

SUPPORT THE WAR WEAPONS DRIVE IN YOUR COMMUNITY

URGE YOUR EMPLOYEES TO BUY MORE **WAR SAVINGS CERTIFICATES**

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING OCTOBER 13

A

Range 1941 High	Low	Div. R'te $	Oct 11 Y'ld %	Stock	Sales	Last Oct. 6	Week end. Oct. 13 H	L	Cl'se
1.15	.50	*	...	Abitibi	1350	1.05	1.10	1.00	1.00
9½	4	*	...	Do. pref. 6%	1860	8¾	8¾	7½	8
15	8	*	...	Do. pref. 7%	....	(8½ bid — asked)			
3	1	.	...	Acme Glove	....	(2 bid — asked)			
60	50	6.50	11.8	Do. pref.	....	(55 bid 60 asked)			
14	11½	80+20c	7½	Agnew Surp.	140	13½	13¾	13½	13¾
108	105	7	6.6	Do. pref.	....	(108 bid — asked)			
1.50	.75	*	...	Alta. Pac. Gr.	10	.75	1.10	1.10	1.10
33	24½	*	...	Do. pref.	....	(30 bid 34 asked)			
10½	7	.	...	Algoma Steel	715	9½	9	9	9
97½	84½	5	5.6	Do. pref.	100	89	89	89	89
115	96½	8	8.3	Aluminium	402	99	99½	97½	98
120	115	6	5.2	Do. pref.	....	115 bid 116½ asked			
7¾	5½	25c	...	Amal. Electric.	6	7¾	7½	7½	7½
37	37	60c	1.6	Amer. Cyn. B.	....	(33 bid — asked)			
46½	44	2.75	5.9	Ang. Can. T. p	15	45	46½	46½	46½
19½	14¾	60+60c	6	Asbestos	385	19	19	18	18
17½	14½	1	6.2	Assoc. Brew.	60	16	16½	16½	16½
111	108½	7	6.3	Do. pref.	....	(111 bid — asked)			
*2	2	.	...	Assoc. T. & T.A.	....	(— bid 2 asked)			
‡24	24	48c	..	Do. pref.	....	(— bid 24 asked)			
§103	101	5.50	5.3	Ault & Wiborg.	....	(102 bid — asked)			

B

Range 1941 High	Low	Div. R'te $	Oct 11 Y'ld %	Stock	Sales	Last Oct. 6	H	L	Cl'se
147	140	8	5.6	Bk. Can. Nat.	35	143	143	143	143
195	171	8	4.2	Bk. Montreal	61	187	185	185	185
285	268	12	4.3	Bk. N. Scotia	12	273	274	274	274
255	240	10	3.9	Bk. Toronto	....	(250 bid 255 asked)			
8½	8½	.	...	Barber Ellis	....	(8½ bid — asked)			
*5	4½	.	...	Barcelona	....	(— bid — asked)			
1.25	.35	.	...	Barker's Bread.	....	(.35 bid — asked)			
22	16	.	...	Do. pref.	....	(— bid 15½ asked)			
14	10	1+25c	9.4	Bathurst Pr.	1575	14	14	13	13½
3	1	.	...	Do. (B)	85	2	2¾	2¾	2¾
4	2	.	...	Beath & Sons.	....	(4 bid 5 asked)			
8	4½	.	...	Beatty Bros.	35	7¾	7¾	7¾	7¾
102¾	92	6	6.5	Do. pref.	1	100	92	92	92
90	88	7	7.8	Do. 2nd pref.	....	(83 bid — asked)			
11	6½	.	...	Beauharnois	993	9¾	9¾	9¾	9¾
80	80	4	5	Belding Cort.	5	80	80	80	80
128	124	7	5.2	Do. pref.	....	(125 bid — asked)			
160½	137	8	5.2	Bell Telephone.	656	155	155	152	152½
6½	5	30c	5	Bertram & Sons	....	(6 bid 6½ asked)			
8¾	7	60c	7.5	Biltmore Hats.	110	7¾	8	7½	8
6	5	.	...	Blue Ribbon	....	(— bid 4½ asked)			
37½	30	2.50	8.1	Do. pref.	....	(30 bid 31 asked)			
10	10	60c	6	Blue Top Br. A	110	10	10	10	10
7	7	.	...	Do. (B)	....	(8 bid — asked)			
22	19	1.30	6.5	Brant. Cord. pf.	....	(20½ bid 23½ asked)			
8½	5	40c	...	Brazilian Tr.	3051	8	8	7¾	8
5½	2¾	50+10c	..	Brew. & Distil.	30	4¾	4¾	4½	4½
6½	6½	30c	4.6	Bright, T. G.	....	(6½ bid — asked)			
90	90	6	6.7	Do. pref.	....	(91 bid — asked)			
18¾	15	1	5.8	Brit. Amer. Oil	2115	17½	17¾	16¾	17½
13	9¾	.	...	B. C. Packers.	100	12	12¾	12½	12½
26½	22	2	8.3	B. C. Power A.	190	24½	24½	23½	24½
2	1	.	...	Do. (B)	100	1½	2	2	2
6½	4½	.	...	Bruck S. Mills.	100	6	5	5	5
15¾	13½	70+10c	6	Building Prod.	450	13¾	13¾	13½	13¾
10¾	7½	60c	7	Burlington St'l	....	(7¾ bid 9¾ asked)			

C

Range 1941 High	Low	Div. R'te $	Oct 11 Y'ld %	Stock	Sales	Last Oct. 6	H	L	Cl'se
§70	70	.	...	Calgary Power.	....	(— bid — asked)			
103	96¾	6	5.9	Do. pref.	....	(— bid 103 asked)			
3½	1½	.	...	Canada Bread.	200	3	3½	3	3
104	95	6	5.9	Do. pref.	....	(101¾ bid — asked)			
46	35	2.50	5.6	Do. pref. B.	10	45	45	45	45
5	3¾	40c	8.4	Canada Bud	215	5	4¾	4¾	4¾
7	4	.	...	Canada Cement	305	5	5	4¾	4¾
101½	89¾	5	5	Do. pref.	24	100½	100½	100½	100½
5¾	5¾	‡30c	...	Can. Cr. Stone.	....	(— bid 5 asked)			
105½	102¾	5	4.8	Canada Cycle, p.	....	105½ bid 106 asked			
27	20½	1.50	6.7	C. & D. Sugar.	911	23	22¾	22½	22½

F, G

Range 1941 High	Low	Div. R'te $	Oct 11 Y'ld %	Stock	Sales	Last Oct. 6	H	L	Cl'se
18	14¾	1	5.6	Ford Motor A.	3482	17½	17¾		
18½	15	1	5.7	Do. (B)	100	18½	17½		
.15	.15	*	...	For. Pr. Secs.	....	(— bid			
16¾	10½	1	6.8	Foundation Co.	485	15½	15		
11½	4½	*	...	Fraser Cos.	370	11½	11		
13	5¾	*	...	Do. Vot. Tr.	925	11¾	11¾		
.50	.50	.	...	Freiman	....	(.50 bid			
47	41	‡4.50	..	Do. pref.	....	(50 bid			
9¾	6	‡55c	..	Gatineau Pwr.	157	7	6½		
90	70	5	7	Do. pref.	82	70	71		
95½	75	5.50	6.9	Do. 5½% pref.	14	79	80		
1.25	.15	*	...	Do. Rights	....	(— bid 1.			
7½	4½	*	...	Gen. St. Wares.	385	6½	6½		
94	86	7+27c	..	Do. pref.	5	93	92		
80	66	2.50+1.50		Goodyear Tire.	210	78	78		
56	52¾	2.50	4.6	Do. pref.	27	54½	54		
*50	50	‡5	...	Gould Pumps.	....	(— bid			
4½	2½	.	...	Gt. Lakes Pap.	....	(1½ bid			
§29	18½	‡75c	...	Do. pref.	....	(— bid			
3¾	1¾	.	...	Do. Vot. tr. c.	125	3½	3½		
19¾	12	‡75c	..	Do. Vot. tr. p.	10	17	16¾		
5½	1¾	.	...	Gt. W. Saddlery	30	4½	4½		
30	25	‡4.50	..	Do. pref.	10	25	28		
11½	9½	60c	6.3	Greening Wire.	....	(10½ bid 1			
§1.25	1.25	10c	...	Growers' Wine.	....	(— bid			
4½	2½	.	...	Gurd, Chas.	75	3½	3½		
§107½	106½	.	...	Do. pref.	....	(— bid 8			
4½	2	.	...	Gypsum, Lime.	260	3½	3½		

H, I

Range 1941 High	Low	Div. R'te $	Oct 11 Y'ld %	Stock	Sales	Last Oct. 6	H	L	Cl'se
17	16½	1	...	Halifax Fire	....	(— bid			
5½	2¾	.	...	Ham. Bridge	360	4	4½		
36	34½	2+2a	5½	Ham. Cot., pf.	....	(35 bid			

Oil Quotations

Par Val.	Range 1941 High	Low	Company	Sales	Close Oct. 6 (or last)	High for week	Low for week	Close Oct. 13
No	.83	.46	Anglo Canadian	1,700	.56	.61	.57	.59
No	.08½	.03½	Anaconda	1,000	.03½	.04	.04	.04
No	.07	.04	Brit. Dominion	100	.07	.06	.06	.06
No	.07½	.05	Brown Oil	......	(.06½ bid .... asked)			
No	1.50	1.01	Calgary & Ed.	1,000	1.33	1.33	1.33	1.33
1	.26	.14	Calmont	......	(.... bid .20 asked)			
No	.28	.18	Commoil	2,500	.23	.23	.21	.21
No	.28	.19	Commonwealth	100	.28	.27	.27	.27
No	.30	.20	Dalhousie	......	(.20 bid .25 asked)			
No	.16	.13½	Davies Pete	......	(.... bid .... asked)			
No	.04	.02	East Crest	......	(.... bid .... asked)			
No	.19	.11	Extension	......	(.18½ Aug. 11)			
No	.36½	.21	Federated Petroleum	......	(.... bid .... asked)			
No	.85	.41	Foothills	200	.80	.75	.75	.75
No	.16	.07	High Sarcee	......	(.13½ bid .17 asked)			
No	2.66	1.50	Home Oil	1,600	2.50	2.50	2.28	2.30
No	.01½	.01	Madison	......	(.... bid .01½ asked)			
No	.02	.01	Marjon Oil	......	(.01 bid .... asked)			
No	.07	.04	McD. Segur Ex.	......	(.04½ bid .05 asked)			
No	.05	.02	Mercury	1,000	.04½	.04½	.04½	.04½
No	.09	.04	Mill City Pete	......	(.07 bid .... asked)			
1	.20	.12	Model	......	(.17 bid .20 asked)			
25c.	.05½	.04	National Pete	......	(.04 bid .... asked)			
1	*.05	.04	Nordon	......	(.... bid .... asked)			
No	.75	.40	Okalta	......	(.45 bid .... asked)			
No	.04	.02	Pacalta Oil	......	(.02½ bid .03½ asked)			
1	.26	.18	Pacific Petroleums	......	(.20 bid .22 asked)			
No	.15	.04½	Royal Canadian	1,000	.04½	.04½	.04½	.04½
No	*.10½	.06	Royal Crest	......	(.... bid .... asked)			
No	25.00	17.12	Royalite	3	22.00	21.00	21.00	21.00
No	.01¾	.01	South End	......	(.00½ bid .... asked)			
No	.25	.10	Southwest Pete	......	(.16 bid .... asked)			
1	.05½	.02½	Spooner	......	(.03 bid .... asked)			
25c.	.14	.10	Sunset Oil	......	(.10 bid .... asked)			
No	.06	.03	United	......	(.04½ bid .06 asked)			
No	.04½	.03	Vanalta	1,500	.03¾	.04	.04	.04
1	.38½	.20	Vulcan	......	(.20 bid .25 asked)			

*Quotations for 1940.

Winnipeg Stocks

(Transactions from Oct. 6 to Oct. 13)

	Sales	High for period	Low for period	Close Oct. 13
Crescent Creamery, pfd.	5	11.00	11.00	11.00
Federal Grain, pref.	25	37.50	37.50	37.50
Great-West Life	5	200.00	200.00	200.00
Gurney Gold	255,000	.00⅛	.00⅛	.00⅛
Northern Can. Mtge. units	10	5.50	5.50	5.50
Sachigo River	40	3.85	3.85	3.85
United Grain Growers	46	10.00	10.00	10.00
Western Life	100	9.50	9.50	9.50

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Fed. Grain, c.	.35	..
Can. Indemnity	140	..	Grouped Inc.	..	5
Beav. Lumber, c.	2½	5	Home Invest.	15⅛	..
Beav. Lumber, p.	100⅜	102½	North. Trusts	7	8
Can. Airways	1	..	Traders Bldg.	43	..
Corr. P. Box	.60	..	West. Brew.	1⅝	2
Dom. Envelope, c.	8	8¼	West. Grain, p.	..	9
Dom. Envelope, p.	96	100			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Oct. 14	4,300	10,700	144,000	......
Oct. 13	Holiday			
Oct. 11	4,900	3,400	100,000	11,800
Oct. 10	8,900	5,600	154,000	15,580
Oct. 9	17,000	13,300	270,000	41,445
Oct. 8	30,100	8,800	250,000	4,022

Government Bonds

Dominion of Canada Bonds Oct. 15, 1941 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask.	Approx. Yld.
5	Nov. '41	100¼	100¾	.40
1½	May '42	100¼	100¾	.45
2	June '42	100½	101	.50
3	Oct. '42	101¾	102¼	.83
2½	June '43	101½	102½	1.20
5	Oct. '43	106½	106¾	1.69
2	June '44	100¾	101½	1.52
a2½	Jan. '44	98¾	99½‡	2.59
4½	Oct. '44	107¾	108	1.78
2½	Nov. '44	102	102½	1.70
a2½	Aug. '45	98½	99‡	2.77
a4	Oct. '45	104½	104¾	b1.62
2	Mar. '45	100½	101	1.70
2	Dec. '46	98¾	99½	2.15
4½	Feb. '46	109½	110	2.07
3½	June '49	102¾	103½	b2.45
3½	Oct. '49	102½	103½	b2.38
3½	Nov. '51	101½	102	b2.94
3½	Feb. '52	101½	102	b2.90
a5	May '52	101½	102‡	b1.32
4	Oct. '52	105¾	106¾	b2.85
3	June '51	99½	100	3.09
3	Oct. '52	98½	99½	3.08
3	June '55	98¾	99½	3.04
4½	Nov. '56	107	107¾	b2.85
4½	Nov. '57	107¾	108½	b2.96
3	June '58	98½	99½	3.05
4½	Nov. '58	108½	109½	b3.05
4½	Nov. '59	109½	110	b3.09
a4	Oct. '60	104½	105‡	b3.35
a3½	Jan. '61	98½	99‡	3.32
3½	June '66	100¾	101½	b3.15
a3e	Jan. '67	94½	95‡	3.29
a3e	Nov. '68	94½	95‡	3.28
†3	Perpet'l.	93½	94	3.19
Dominion Guarant'd Bonds				
Can. Nat'l. Railways:				
2	Feb. '43	100½	101½	1.05
2½	Jan. '46	100½	101½	1.95
3	May '44	102¾	103½	1.59
3	Dec. '50	99½	100	3.00
3	Feb. '53	98	99	3.08
3	Jan. '59	97¾	98½	3.11
*4½	Sept. '51	115½	116½	2.60
*4½	Feb. '56	116½	117½	3.00
4½	July '57	116¾	117¾	3.06
*4¾	June '55	118¾	119¾	2.97
5	Feb. '54	117½	118½	3.21
*5e	July '69	115½	116½	b.73
*5e	Oct. '69	119½	120½	b2.70
*5e	Feb. '70	118½	119½	b2.92
Grand Trunk Pacific Rly.:				
3	Jan. '62	100½	103½	2.77
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	91	93	3.85
3½	Aug. '49	94	96	3.84
3½	June '56	94	96	3.85
c4	Nov. '47	103	105	b2.69
c4½	Apr. '61	104½	106½	4.01
c5	Jan. '60	107½	109½	4.20
Nova Scotia:				
3	Jan. '52	96½	97	3.33
3½	June '56	96	98	3.42
3½	Nov. '50	98½	100	3.50
c4½	Sept. '52	106	107½	b3.10
c4½	Nov. '60	110½	112½	3.59
c5	Mar. '60	116½	118½	3.61
Ontario:				
2½	May '45	99½	100½	2.42
3	Apr. '48	99½	100½	b2.94
3	Nov. '50	98½	99½	3.06
3½	Nov. '51	100	101	b3.10
3½	May '55	100	100¾	b3.16
*4	June '62	109½	111½	3.22
*4	June '50	109½	110½	3.10
*4½	Jan. '62	116	117	3.33
5	Oct. '48	111	112½	3.00
*5	Dec. '60	121	123	3.36
5½	July '46	110½	111½	2.88
Ont. Hydro Commission:				
3	Aug. '48	99½	100½	b2.86
3½	Feb. '53	100	101	b3.11
3½	Apr. '47	101½	102½	3.00
Prince Edward Island:				
4	Mar. '54	100	101½	3.84
Quebec:				
3	Nov. '47	96½	98	3.36
3½	Mar. '48	96½	98½	3.51
3½	Mar. '59	94	96	3.81
4	Nov. '52	100½	102	b3.73
3¾	Feb. '55	98	99½	3.9
4½	Aug. '58	102	104	4.1
4½	Jan. '63	105	107	4.0
Alberta:				
4	Dec. '54	63	67	d
4½	Oct. '51	66	70	d
4½	Oct. '56	65	69	d
*5	Oct. '59	66	70	d
c5½	Apr. '52	69	72	d
6	Mar. '47	72	75	d
British Columbia:				
c4	Dec. '37	100	104	[illegible]
*4½	Jan. '51	105	108	[illegible]
c4½	Oct. '53	106	109	[illegible]
c5	Apr. '54	109	113	[illegible]
5½	Feb. '45	104	108	[illegible]
6	Feb. '47	106	110	[illegible]
Manitoba:				
c4	Dec. '57	95	99	[illegible]
c4½	Dec. '56	97	101	[illegible]
*5	Dec. '59	101	104	[illegible]
5½	Oct. '55	101½	105½	[illegible]
6	Apr. '47	102	106	4.75
Saskatchewan:				
4	Sept. '54	75	79	[illegible]
4	Nov. '60	74	78	[illegible]
c4½	Oct. '51	86	90	[illegible]
c4½	Mar. '60	81	85	[illegible]
5	Aug. '58	85	89	[illegible]
5½	Oct. '52	90	94	[illegible]
6	Mar. '52	93	97	[illegible]

*–Payable Can., N.Y. and £., b–Calculated to call date giving lowest possible yield. c–Payable Can. & N.Y. a–Payable N.Y. †–Callable on or after Sept. 15, 1966. d–Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e–Callable at a premium. ‡–N.Y. funds.

Unlisted Stocks

Oct. 14, 1941 (Furnished by A. J. Pattison Jr. & Co., Toronto)

Industrials:	Bid	Ask.		Bid	Ask.	Insurance Stocks:	Bid	Ask.
Acme Farm., pf.	42	45	Moirs, Ltd.	18½	21½	Canada Life	375	385
Andian National	29½	31	Morrison Br. un	4½	5½	Brit. Amer.	32	34
Anglo C. Tel., A	8	8½	Mt. R. Hotel, c.	2½	3¾	Canadian Fire	81	84
Atlas Steel	20	..	N. B. Tel., c.	10½	12½	Confed. 30% pd.	132	138
Barrymore, pfd.	30	..	Neilson, Wm. p.	100	..	Continental L.	35	40
B. C. Pulp, c.	12	13¾	N. Meth. Ldy. p	56	58½	Crown, fully pd.	265	285
Do., pfd.	68	72	Ont. Jockey C.	800	900	Dominion Fire	137½	145
B. C. Sugar	74	76½	Ont. Tobacco, p.	17	19½	D. of Can. Gen.	115	120
B. C. Tel., 1st p.	110	114	Pac. C. Term. c.	..	10	Empire, 25% pd.	5	6
Brown, pfd.	33½	35	Prov. Paper, pf.	101	103½			

Annual Meetings

1941 Company	Place
Oct. 18—Arntfield Gold Mines	Arntfield
Oct. 22—Fairchild Aircraft Ltd.	Montreal
Oct. 28—Alberta Pac. Grain	Winnipeg
Oct. 29—Calgary & Edm. Corp.	Winnipeg
Oct. 30—Federal Grain	Winnipeg
Oct. 31—Anglo-Huronian	Toronto
Nov. 26—Imperial Bank	Toronto
Nov. 27—Mercantile Trans.* ...	Montreal
Dec. 9—Montreal Tramways† ..	Montreal
Dec. 10—Montreal Tramways‡ ..	Montreal

*Special. †1st mtge. ‡Gen. mtge. bondholders.

Mining Dividends

	Rate	Oct. 13	Yield %
Anglo-Huronian	▲10c	2.90	..
Aunor Gold	12c	1.70	..
Beattie Gold	16c	1.10	14.5
Bralorne	80c+40c	11.12	*10.8
Bralorne	12c	.72	16.7
Buffalo Porc.	▲30c	4.00	..
Buffalo Ankerite	$3	18.50	16.2
Bulolo Gold	8c	.56	14.3
Can. Malartic	16c+8c	2.15	*11.1
Cariboo Gold	16c+6c	1.60	*13.7
Central Patricia	10c	1.65	..
Chesterville	3c	.65	..
Cochenour Willans	▲17½c	1.20	..
Coniagas	16c	1.25	12.8
Coniaurum	▲3c	.70	..
Cons. Smelters ...	$1+$1.50	39.25	*6.4
Delnite	$2	21.00	9.5
Dome Mines	▲20c	2.28	..
East Malartic	15c	3.35	..
Falconbridge	▲4c	.46	..
Francoeur Gold	‡2c	.12	..
Goldale	▲2c	.23	..
Gold Belt	▲1½c	.18	..
Grandview	6c	.25	..
Gunnar Gold	60c	4.00	15
Hallnor	▲5c	.75	..
Hard Rock	8c	.46	17.4
Hedley Mascot	65c+45c	12.50	*8.8
Hollinger	▲4c	.21	..
Howey Gold	$2	27.00	7.4
Hudson Bay	†2c	.40	..
Inspiration	$2	34.50	5.8
Inter. Nickel, com.	▲8c	1.25	..
Island Mountain	†2c	.34½	..
Jason	▲27c	4.65	..
Kerr Addison	‡10c	.30	..
Kerr Lake	10c+2c	.70	*17.2
Kirkland Lake	▲6c	.25	..
Kootenay Belle	40c+15c	4.50	*12.2
Lamaque Gold ...	$1.40	14.75	9.5
Lake Shore	8c	.41	19.5
Leitch	▲10c	1.75	..
Little Long Lac	32c+3c	3.65	*9.6
Macassa	▲3c	.68	..
Madsen R. Lake	†5c	2.34	..
Malartic Gold	‡3c+1c	.25	..
McGillivray Coal ...	12c	1.00	12
McKenzie Red L.	8c	.34	..
Moneta	$2.22+$1.11	50.00	*6
McIntyre-Porc. ..	‡20c	2.05	..
MacLeod-Cockshutt ...	4c	.24	..
Naybob Gold	†5c	.60	..
Negus	15c	1.21	12.4
Nipissing	$4	53.50	7.5
Noranda	▲20c	3.75	..
North Empire	10c	1.43	..
O'Brien Gold	12c	1.14	10.7
Pamour Porc.	20c+2c	2.90	*7.6
Pato Cons.	‡6c	1.75	..
Pend Oreille	16c+4c	1.40	*14.3
Perron Gold	40c	2.30	17.3
Pioneer, B.C.	40c	2.76	14.4
Pickle Crow	$1.20	9.00	13.3
Placer Develop.	11c	.79	14
Premier	20c+10c	3.15	*9.5
Preston E. Dome ..	▲9c+3c	.55	..
Privateer Mines	‡2c	.20	..
Quebec Gold	3c	.01	..
Relief Arlington	14c+6c	2.45	*8.1
San Antonio	16c	.90	17.8
Sheep Creek	▲5c	.92	..
Sherritt Gordon	▲30c	7.25	..
Sigma Mines	16c	.70	22.8
Silbak Premier	▲6½c	.55	..
Siscoe	4c	.14½	..
Sturgeon River	▲2½c	1.60	..
Sudbury Basin	▲5½c	.68	..
Sullivan Cons.	▲2c	.11½	..
Surf Inlet	28c	2.40	11.6
Sylvanite Gold	40c+5c	2.75	*16.4
Teck-Hughes	12c+6c	1.25	*14.4
Toburn	▲11c	1.70	..
Upper Canada	▲10c	4.15	..
Ventures	▲20c	4.60	..
Waite Amulet	3c	.18	..
Wendigo	40c+30c	3.70	*18.9
Wright-Harg.	2c	.04⅞	..
Ymir Yankee			

†Paid in 1940. ▲Paid or declared payable in 1941 to date.
*Yield including bonus. †Initial.

Dividends Declared

	This payment	Date payable	Date of record
Amalgamated Oils .	▪*4c	Nov. 15	Oct. 31
Anglo-Can. Tele., p	68¾c	Nov. 1	Oct. 15
Blue Ribbon, pfd. .	62½c	Nov. 1	Oct. 20
Bank of Toronto .	$2.50	Dec. 1	Nov. 15
Brazilian Tr., ord. .	40c	Dec. 22	Oct. 15
Beatty Bros., 1st pf.	$1.50	Nov. 1	Oct. 15
Bathurst Pr., A	25c	Dec. 1	Nov. 14
Do., extra	25c	Dec. 1	Nov. 14
B.C. Tele., 2nd pf.	$1.50	Nov. 1	Oct. 17
Broulan Porc.	3c	Oct. 30	Sept. 30
Calgary Power, pf.	$1.50	Nov. 1	Oct. 15
Can. Indust., A, B	$1.50	Oct. 31	Sept. 30
Can. Nor. Power ..	▪15c	Oct. 25	Sept. 30
Can. Bk. of Comm.	$2	Nov. 1	Sept. 30
Can. For. Inv., com.	$1.20	Nov. 1	Oct. 15
Cel. of Amer. pfd.	†$1.75	Jan. 1/42	Dec. 16
Do., part. pfd. ..	†$3.50	Dec. 31	Dec. 16
Can. Converters ...	50c	Oct. 31	Sept. 30
Cons. D. Std. Sec. p	37½c	Dec. 15	Nov. 29
Commonw'th Pet. ...	3c	Nov. 10	Oct. 18
Can. Bronze	37½c	Nov. 1	Oct. 20
Do., pref.	$1.25	Nov. 1	Oct. 20
Can. Oil, c.	12½c	Nov. 15	Nov. 1
Do., extra	12½c	Nov. 15	Nov. 1
Can. Tube & Stl., p.	$2	Oct. 31	Oct. 25
Coast Brew.	3c	Nov. 1	Oct. 9
Can. Investors	10c	Nov. 1	Oct. 18
Can. Forgings, A ..	37½c	Dec. 15	Dec. 1
Confederation Life .	$1.50	Dec. 31	Dec. 25
Dom. & Anglo In. p	$1.25	Dec. 1	Nov. 15
Dom. Oilcloth	30c	Oct. 31	Oct. 16
Do., extra	10c	Oct. 31	Oct. 16
Dist.-Seagram. pf.	†$1.25	Nov. 1	Oct. 15
Dominion Bank ..	$2.50	Nov. 1	Oct. 20
Dominion Tar, p.	$1.37½	Nov. 1	Oct. 14
Dome Mines	▪50c	Oct. 20	Sept. 30
Dover Indust.	20c	Nov. 1	Oct. 15
Federal Grain, p.	$2	Nov. 1	Oct. 15
First All Can. Tr.	10c	Oct. 15	Oct. 15
Gen. Steel W., p. ..	$1.75	Nov. 20	Nov. 8
Granby Elastic Web p	69c	Nov. 1	Oct. 15
Howey Gold	2c	Nov. 1	Sept. 30
Hart Battery	5c	Oct. 31	Sept. 30
Hollinger Cons. . .	5c	Nov. 4	Oct. 21
Do., extra	5c	Nov. 4	Oct. 21
Int. Paper, p. arrears	$5	Nov. 15	Nov. 7
Imperial Bank	$2.50	Nov. 1	Sept. 30
Int. Nickel, pfd. ..	†$1.75	Nov. 1	Oct. 2
Inter. Util., p. ...	*†87½c	Nov. 1	Oct. 20
Int. Metals, pf. A pf	$1.50	Nov. 1	Oct. 15
Do., arrears	$3	Nov. 1	Oct. 15
Kootenay Belle	2c	Oct. 25	Oct. 15
Kerr Addison	5c	Oct. 28	Oct. 7
Kirkland Lake	5c	Oct. 29	Sept. 29
Loblaw Groc. Inc. .	†25c	Dec. 1	Nov. 14
Langley's, pref.	▪50c	Dec. 12	Dec. 3
Madsen R. Lake ..	3c	Dec. 1	Nov. 10
McIntyre Porc. ...	55½c	Dec. 1	Nov. 1
Do., extra	$1.11	Jan. 2	Nov. 1
Melchers Dist., p. ..	30c	Dec. 15	Dec. 1
Mtl. L. H. & Pr. ...	37c	Oct. 31	Sept. 30
Nor. Ont. Power ..	▪20c	Oct. 25	Sept. 30
Do., pref.	▪$1.50	Oct. 25	Sept. 30
Nipissing Mines ...	▪15c	Dec. 11	Nov. 15
Penmans	75c	Nov. 15	Nov. 5
Do., pref.	$1.50	Nov. 1	Oct. 21
Proprietary Mines..	20c	Nov. 5	Oct. 29
Quebec Power	25c	Nov. 25	Oct. 24
Rolland Paper	15c	Nov. 15	Nov. 5
Do., pref.	$1.50	Dec. 1	Nov. 15
Regent Knit., pfd. ..	40c	Dec. 1	Nov. 15
Royal Bank	$2	Dec. 1	Oct. 31
San Antonio Gold ..	7c	Nov. 5	Oct. 20
Do., extra	3c	Nov. 5	Oct. 20
Silbak Prem.	4c	Oct. 25	Oct. 3
Steel of Can.	75c	Nov. 1	Oct. 7
Do., pref.	75c	Nov. 1	Oct. 7
Saguenay Pwr. p	$1.37½	Nov. 1	Oct. 15
South. Can. Pwr., c.	20c	Nov. 15	Oct. 31
Simpsons, pref. .	$1.62½	Nov. 1	Oct. 17
St. Law. Flour ...	25c	Nov. 1	Oct. 20
Do., pref.	$1.75	Nov. 1	Oct. 20
Shawinigan W.	22c	Nov. 25	Oct. 24
Sullivan Cons.	2½c	Nov. 15	Oct. 15
Toburn Gold	3c	Nov. 22	Oct. 22
Do., extra	1c	Nov. 22	Oct. 22
Toronto Elev.	$1	Nov. 7	Oct. 25
Do., pref.	66c	Dec. 6	Nov. 25
Un. Bond & Share	15c	Jan. 15/42	Dec. 30
United Corp., A ...	37c	Nov. 15	Oct. 15
United Fuel, p. A	75c	Jan. 2	Dec. 20
Union Gas	20c	Dec. 15	Nov. 20
Wood, A. & J., pfd.	$1.75	Nov. 1	Oct. 20
Weston, G., pref. .	$1.25	Nov. 1	Oct. 15
Zellers	20c	Nov. 1	Oct. 15
Do., pref.	37½c	Nov. 1	Oct. 15

†Payable in U. S. funds.
▪Subject to approval of Foreign Exchange Control Board.
*Subject to approval of S. E. C.
†Initial.

Investment Notes

Canadian Car & Foundry — A contract for aircraft, amounting to $17,496,000 is announced for this company by the Department of Munitions & Supply in the week ending Sept. 30, 1941. This covers the order for Hurricanes announced some time ago.

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Canadian Dredge & Dock — Two contracts totalling $476,808 have been awarded to this company by the Department of Munitions & Supply. Of this $19,169 is for shipbuilding and the balance for construction and defense projects.

U.S. Paper Output Sets New Record

Signs of Stocking Up Against Price Rise Seen in Some Grades

From Our Own Correspondent

MONTREAL. — Production of paper in the United States during the week ended October 4 reached the all-time high level of 106.7% of capacity, according to the American Paper & Pulp Association index of paper mill activity. This contrasts to 105.2% in the week ended September 27 and 85.4% in the week ended October 5, 1940.

Incoming orders are understood to be about in balance with the current rate of production. A production rate so far in excess of theoretical capacity is possible only by operation of any mills for seven days a week. The present record demand for paper is believed in some quarters to be partly due to stocking up by users.

Book and wrapping paper particularly are believed to be grades on which customers have been adding to inventories to minimize the effect of possible price advances. Concurrently with the new high on paper production, paperboard output rose 100% in the week ending October 4, the first time in the history of the industry that such a level was reached.

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 236

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st October, 1941, making a total distribution of ten per cent for the fiscal year. The Dividend will be payable at the Head Office of the Bank and its Branches on and after Saturday, the first day of November, 1941, to shareholders of record of the 20th October, 1941.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 11th September, 1941.

The Canadian Bank of Commerce

Dividend No. 219

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st October 1941 and that the same will be payable at the Bank and its Branches on and after Saturday, 1st November next, to shareholders of record at the close of business on the 30th September, 1941. The Transfer Books will not be closed.

By Order of the Board.

A. E. ARSCOTT,
General Manager.

Toronto, 11th September 1941.

San Antonio Gold Mines Limited

(No Personal Liability)

Dividend No. 16

Notice is hereby given that a dividend of 7c a share, and an extra dividend of 3c a share, making 10c a share in all, has been declared on the outstanding capital stock of the company, payable in Canadian funds, on the 5th day of November, 1941, to shareholders of record at the close of business on the 20th day of October, 1941.

By order of the Board.

M. SNYDER,
Secretary.

Winnipeg,
September 30, 1941.

Blue Ribbon Corporation Limited

NOTICE is hereby given that a dividend of sixty-two and a half cents (62½c) per share on the Preferred Shares of the Company has been declared payable on and after the first day of November, 1941, to holders of record at the close of business on the 20th day of October, 1941.

Dated at Toronto this 3rd day of October, 1941.

J. R. WRIGHT,
Secretary.

Privateer Mine Limited

Dividend No. 12

NOTICE is hereby given that a dividend of three cents (3c) per share plus an extra of one cent (1c) per share has been declared by the Directors of Privateer Mine Limited, payable in Canadian Funds, on the 10th day of November, 1941, to shareholders of record on the 25th day of October, 1941.

By Order of the Board.

W. S. LANE,
Secretary.

Vancouver, B.C.
October 10th, 1941.

McIntyre Porcupine Mines LIMITED

(No Personal Liability)

Dividends Nos. 94 and 95

At a meeting of the Board of Directors of McIntyre Porcupine Mines Limited (No Personal Liability) held on the 10th day of October, 1941, the following dividends were declared payable in Canadian currency:

No. 94 Fifty-five and a half cents (55½c) a share, payable December 1, 1941, to shareholders of record November 1, 1941.

No. 95 (Extra) for One dollar and eleven cents ($1.11) a share, payable January 2, 1942, to shareholders of record November 1, 1941.

By order of the Board,

BALMER NEILLY,
Treasurer

Quebec Power Company

NOTICE is hereby given that a dividend of twenty-five (25c) cents per share has been declared on the no par value common shares of the Company for the quarter ended September 30, payable November 25, to shareholders of record October 24, 1941.

By Order of the Board,

H. G. BUDDEN,
Secretary.

Montreal, October 7, 1941.

Minnesota Ont. Paper
Comm.
Bought and Sold
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

Flour Exports Rise Further

Show Greater Gain in Value and Quantity Than Wheat Shipments

Flour exports in the first nine months of 1941 have risen over 75% in quantity and value over the corresponding period of last year according to the latest returns of the Dominion Bureau of Statistics. Average price of the flour exported over the period is practically unchanged at $3.89 per barrel against $3.891 last year.

For the month of September, the average export price was $4.169 per barrel against $3.513 a year ago, and the quantities shipped showed a rise of 20%.

September	Quantity bbls.	Value $	Av. Price $
1938	319,739	1,230,963	3.850
1939	416,553	1,185,310	2.846
1940	550,754	1,934,206	3.513
1941	661,014	2,756,106	4.169
Nine Months Ended September			
1938	2,540,325	13,140,211	5.173
1939	3,422,504	10,082,114	2.946
1940	5,192,360	20,202,896	3.891
1941	9,481,375	36,885,569	3.890

Wheat exports also continue to show sharp increases over previous years, but with smaller percentage gains than in flour exports. Quantities of wheat exported in the first nine months have jumped 44% and for September the gain is approximately 12%. In price, wheat exports in September dipped to an average of 80.8 cents against 86.3 cents last year, and in the first nine months the average was 83.5 cents per bushel against 88.2 cents for the corresponding period of 1940.

September	Quantity bushels	Value $	Av. Price $
1938	12,614,858	8,410,294	0.667
1939	15,641,142	10,654,517	0.681
1940	9,499,854	8,197,601	0.863
1941	11,341,041	9,163,299	0.808
Nine Months Ended September			
1938	51,912,891	52,029,010	1.002
1939	91,008,092	55,863,129	0.614
1940	100,470,813	88,606,103	0.882
1941	144,429,658	120,547,327	0.835

Maclaren-Quebec Sells More Bonds

Block of $750,000 First Mortgages Sold Privately to Net Company 98

From Our Own Correspondent

MONTREAL. — Maclaren-Quebec Power Co. has sold privately $750,000 of the $2 millions first mortgage bond issue authorized by the Public Service Board of Quebec. The price received netted the company $98 per $100 principal amount of bonds sold.

Earlier in the year the company secured authority from the Public Service Board to issue $2 millions of 4% first mortgage bonds to the Bank of Nova Scotia as collateral for a loan of a like amount.

The loan was used by the company chiefly to finance construction, principally additional storage to increase the daily flow from the Lievre River. This authority was extended from time to time by the board.

Canadian Cottons Ltd. Retires Part of Preferred

Canadian Cottons Ltd. has informed the Montreal Stock Exchange that, in accordance with the redemption plan, 3,209 shares of the company's preferred stock have been retired and cancelled. This leaves the number of preferred shares outstanding at 33,406.

DIVIDEND NOTICES

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 350
EXTRA DIVIDEND NUMBER 75

A regular dividend of 1% and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 4th day of November, 1941, to shareholders of record at the close of business on the 21st day of October, 1941.

DATED the 13th day of October, 1941.

P. C. FINLAY,
Secretary.

Madsen Red Lake Gold Mines Limited

(No Personal Liability)
Room 812, 67 Yonge St., Toronto

DIVIDEND No. 3

NOTICE is hereby given that a dividend of 3 cents per share has been declared by the Directors of Madsen Red Lake Gold Mines Limited (No Personal Liability) payable in Canadian Funds on December 1st, 1941, to shareholders of record November 10th, 1941.

By Order of the Board,

W. G. HUGHSON,
Secretary.

Toronto, October 11, 1941.

Brazilian Traction, Light and Power Company, Limited

NOTICE IS HEREBY GIVEN that the Board of Directors of this Company has declared a dividend of 40 cents per share on the Company's issued Ordinary Shares of no par value, payable on the 22nd December, 1941, to shareholders of record at the close of business on the 25th October, 1941. Payment of this dividend to non-residents of Canada will be subject to deduction of the Canadian Non-resident Income Tax.

In the case of shares in the form of share warrants to bearer, the above dividend is represented by coupon No. 68. As most of the share warrants to bearer of the Company have been held in Continental Europe (chiefly in Belgium), the Custodian of Enemy Property in Canada has ordered that no coupon detached from any share warrant to bearer of the Company shall be paid by or on behalf of the Company without reference to him. Holders of share warrants, therefore, wishing to claim their dividends should forward their coupons to the Company at its office, 25 King Street West, Toronto, Canada, or to the English Agents of the Company, Canadian & General Finance Company, Limited, 99 The Drive, Hove, Sussex, England, accompanied by the Canadian Form G (copies of which can be obtained from any Bank in Canada and from the English agents of the Company above referred to) and if the Custodian's consent is received a cheque in Canadian currency will be forwarded to the holder for the value of the coupons against cancellation thereof, subject to the deduction where applicable of the Canadian Non-resident Income Tax.

DATED at Toronto, Canada, the 9th day of October, 1941.

By Order of the Board,

A. W. ADAMS,
Secretary.

Note: The Transfer Agents of the Company are National Trust Company, Limited, Toronto and Montreal, Canada, who should be notified promptly of any change of address.

Commodities

News From Russia Unsettles Prices

Seasonal Heavy Movement of Agricultural Crops Makes Supplies Plentiful

Irregularity in the commodity markets has been due mainly to two factors. One was the heavy seasonal movement of agricultural crops such as wheat, corn, cotton, etc., making supplies plentiful. The other was disappointment over the war news from Russia which in some quarters discouraged demand.

Hides were in good demand by tanners, while cotton manufacturers also bought supplies of raw cotton when prices eased. Two spot price indices were higher and two lower with Dow Jones index of future commodity prices down almost two points.

	Latest week	Previous week	Same week last yr.
Cattle	$9.80	$9.85	$8.35
Hogs	14.85	14.85	12.15
Copper, lb.	.12	.12	.12
Cotton, lb.	.1754	.1774	.0975
Sugar, raw, lb. ..	.0350	.0350	.0278
Wheat, Man. (bu.)	.74⅛	.76⅝	.70⅛
Coffee, lb.	.09⅛	.09⅝	.05
Hides	.15	.15	.13
Weekly Indices			
Canada (D.B.S.) ...	93.3	92.8	83.0
Do., Wood, Gundy	75.1	75.0	66.6
U. S. Labor	91.6	91.2	78.1
Dow Jones (future)	80.94	82.80	54.43
Fishers	98.4	98.8	82.8
Monthly Indices			
Canada (D.B.S.):			
Retail (Sept.)* ..	114.7	113.7	106.4
W'sale (Aug.) ...	91.8	91.1	82.6
U. S. (July)	88.8	87.1	77.7
Gt. Brit. (July) .	153.2	152.4	139.7

Note:—The base of indices is that 1926 equals 100. *Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

Montreal Power Contests City Rate

Claims Public Service Board Exceeded Its Authority

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power Cons. is appealing against the order of the Quebec Public Service Board fixing electricity rates to be paid by the City of Montreal for the next two years.

Under article 81 of the City Charter, adopted at the last session of the provincial legislature, the Public Service Board also granted a reduction of over $300,000 on sums now paid by the city to company for street lighting pending modernization of the system.

In a motion before the Court of Appeal, asking for the right to appeal, the company claimed that the Board, in judging on the matter under consideration, had exceeded the jurisdiction granted to it by article 81 of the charges.

The Public Service Board ruling was dated September 30, and it is this order which is now being contested by the company.

Lapa Hopes Tied To North Ore

Development of New Area Carried Out Without Any New Financing

While the company's net loss rose to $82,977 in the fiscal year ended June 30, 1941, from $12,817 the year before, Lapa Cadillac Gold Mines last year was able to develop better than average grade mine ore in a new north zone without recourse to new financing. Liquid position at the end of the year showed little change.

Based on development results, ore exposures in the new north section at 290-ft. level works out at 275 tons per vertical foot. If subsequent development on other levels in the mine is comparable, in excess of 150,000 tons of ore would be put in sight or approximately two years' mill feed, it is pointed out. Most of the company's ore reserves in the original section of the mine have been used up, reserves totalling 6,069 as at June 30, 1941, compared with 89,396 tons at the end of the preceding year.

Ore from the new area has been having a favorable effect on production. Average recovery in the year ended June 30, 1941, had been $3.60 per ton. Recovery in July rose to $3.84 a ton while August recovery was $4.84 per ton. September recovery was expected to average over $5 a ton. This increase in recovery has been achieved despite difficulties of securing good extraction from new ore. Extraction from north zone has been averaging approximately 75%. Testing indicates flotation and roasting of concentrates will result in a relatively good extraction.

Income and Deficit Account
Years Ended June 30

	1941 $	1940 $
Bullion production ..	317,475	406,238
Less: Marketing	5,193	5,666
Operat. expenses	297,326	309,155
Admin. expenses	10,241	12,611
Operat. profit	4,715	78,806
Less: Depreciation	42,916	42,845
Mining taxes	......	1,100
Develop. w/o	44,170	46,973
Shaft sinking w/o ..	606	606
Net loss for year	82,977	12,718
Add: Prev. deficit	55,080	42,362
Deficit forward	138,057	55,080
Working Capital		
Current assets*	55,473	69,757
Current liabilities	53,794	67,284
Working capital*	1,679	2,473

*Including metals in circuit.

Davie Shipbuilding Plan Extension to Wharf

Davie Shipbuilding & Repairing Co., subsidiary of Canada Steamship Lines, has deposited plans with the Federal Minister of Public Works covering an extension to its wharf in the St. Lawrence River at Lauzon, Que. Following the usual statutory delay of 30 days, it is the intention of the company to proceed with this work.

Week in Wheat

Market is Weakened By News From Russia

Price Differential Favoring Open Market Shrinks — Weather Improves for Threshing But Still Too Wet in Many Areas

From Our Own Correspondent

WINNIPEG.—When Winnipeg wheat prices began a recession last week which carried them down as much as three cents a bushel from the high points previously reached, market action was attributed to unfavorable news from Russia.

It was assumed that investment buying which was beginning to come into the Winnipeg market was discouraged, and that a number of holders were moved to liquidate. That a comparatively small price movement could effect an adjustment in the situation might seem surprising but of course if demand was reduced, a corresponding reduction could be made in supplies.

As the price declined a greater proportion of new wheat coming forward from farms was delivered to the Canadian Wheat Board instead of being sold on the open market. This was especially the case in Alberta, where the differential in favor of the open market was smaller because prices in that province are based on freight rates to Vancouver, not Fort William.

At the same time the Wheat Board was supposed by observers to have restricted its selling in the open market to futures against its stocks. Earlier the opinion had been general that the Wheat Board, which last year was believed to have sold very little wheat in the open market, had adopted a policy of selling on a rise, but of withholding offerings on any sign of recession.

Speculative Buying

This week there were signs that some cautious spreading between Winnipeg and Chicago was being resumed. There is no necessary connection between prices on the two markets, but when Chicago prices run from 50 to 60 cents a bushel higher than Winnipeg, some traders are willing to act on the belief that the gap is likely to be narrowed in some way or another before long.

Cash trading in wheat has been narrow during the past week, owing to restricted shipping of wheat down the lakes. Because of congested space in the East, forwarders are unable to move much grain. For the first time since navigation opened they have not been seizing every opportunity to secure lake cargo space, and some vessel owners, rather than wait for grain business, have sent their vessels into the ore trade.

• • •

Threshing Progress

Some improvement in western weather this past week enabled threshing to be resumed over a considerable area, and daily deliveries of wheat were stepped up to well over a million bushels. In large parts of Manitoba and Saskatchewan farmers have been restrained from threshing by fears that the grain is too wet. The soil has been too soft for wagons, tractors or combines.

• • •

Government Policy •

Some market observers were inclined to see in the recent pronouncement of Agriculture Minister Gardiner an indication of possible change in government wheat policy. Mr. Gardiner mentioned 90 cent wheat, but such mention is not believed to mean any advance in the basic Wheat Board price from 70 to 90 cents.

Mr. Gardiner pointed out that the government expected to pay out, in acreage bonuses, and under the Prairie Farm Assistance Act, about $40 millions, which in terms of total farm income would amount to the same thing as if the basis wheat price, on the 200 million bushels which it is expected that farmers will deliver, would equal an extra 20 cents a bushel.

The minister mentioned the possibility of crediting all Wheat Board sales, during the current crop year, to the current wheat crop, with the suggestion that adopting such a policy would mean that the Board would be able to make a distribution on this year's participation certificates. Mr. Gardiner advised farmers to deliver their wheat to the Wheat Board instead of selling on the open market. That certainly implies an expectation that participation certificates will ultimately be worth something more than the current premium now available on the open market above Wheat Board initial prices, and consequently that the Wheat Board is able to obtain something above current market prices on sales which it makes to Great Britain.

But this has been common knowledge for some considerable time. The statement implies an expectation on the minister's part that in making up its accounts the Wheat Board will so segregate operations of different years that farmers delivering to the Board this year will not be bearing part of the carrying cost of surpluses of previous years. But there is no implication of opinion on the part of the minister as to what Canadian wheat may sell for, either in subsequent sales to Great Britain or on the open market.

• • •

Outside Buying

Supplementing the demand from the domestic mills, considerable outside buying of Canadian wheat is developing this fall. Exports to Newfoundland, Ireland and Portugal are reported in addition, of course, to regular shipments to Great Britain.

United States millers are also turning to Canada for hard wheat to be used in their export flour trade. On this, of course, they do not have to pay duty, and in consequence Canadian wheat is much cheaper than home supplies.

Traders at Chicago, observing a spread of 50 cents a bushel or more between prices at Chicago and those at Winnipeg, and believing such a spread too wide to continue indefinitely, have bought in Winnipeg against sales in Chicago.

Already apparently their foresight seems justified, by the spread having been narrowed by several cents a bushel. Other spreaders have been willing to buy wheat against sales of oats and barley for future delivery, on the theory that farmers needing feed grain would turn from expensive oats and barley to cheap wheat.

Still others have reached the conclusion that the destruction of the food producing capacity of eastern Europe and Russia has been so great that it must ultimately be reflected in a greatly increased demand for wheat from North America, and that any notable German reverses might bring a good deal of buying into the market.

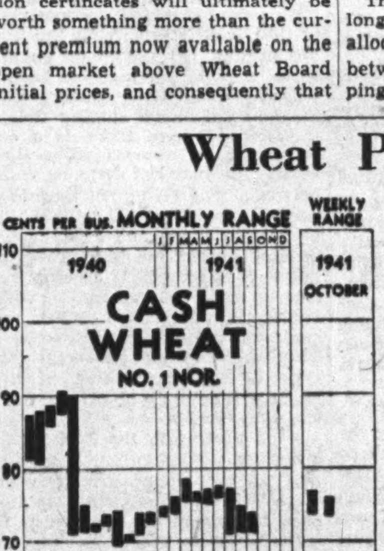
• • •

Easing Restrictions

The Canadian Wheat Board, after advancing wheat delivery quotas at a large number of individual points from the original five bushels per acre to eight and ten bushels, has now authorized delivery of eight bushels at all points. The general advance was made possible early because pressure on elevator space has been lessened by threshing delays.

The Board has discontinued, as no longer necessary, the regulation of allocation of cars for grain shipment between different elevators at shipping points. This regulation was introduced at the beginning of the previous crop year. The Board has now decided that because of the small size of the wheat crop it is unnecessary to provide any regulation to supersede that which is included in the car distribution clauses of the Canada Grain Act. Under those regulations the railways must distribute cars allotted to each station in order as they are applied for, if applicants make use of a car order book which must be opened whenever requested.

Wheat Prices



Cash Quotations

	For Week Oct. 13 High	For Week Oct. 13 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard .	.76¼	.73½	.77⅜	.73⅞
1 Nor. ..	.76¼	.73½	.77⅜	.73⅞
2 Nor. ..	.73⅜	.70⅝	.74½	.71
3 Nor. ..	.72	.69¼	.73⅛	.69⅛
4 Nor. ..	.70¼	.67½	.71⅜	.67⅞
5 Wheat .	.68¾	.66	.69⅞	.66⅜
6 Wheat .	.67¾	.65	.68⅞	.65⅜
Feed	.62¼	.60⅛	.62⅞	.59⅞
Oats:				
2 C. W. .	.49⅜	.48	.50⅞	.48⅝
3 C. W. .	.45⅞	.44¼	.47⅜	.44⅞
Barley:				
1 Feed ..	.55⅜	.52⅞	.57⅞	.55⅛
2 Feed ..	.55	.52¼	.57½	.55½
Flax:				
1 C. W. .	1.57½	1.52⅛	1.58¾	1.57⅛
2 C. W. .	1.53¼	1.48¼	1.54½	1.53¼
Rye:				
2 C W. .	.61⅛	.57½	.63⅝	.62¼

Winnipeg Grain Futures

Week to Oct. 13, 1941

Crop year from Aug. 1, 1941 High	Low		Open Oct. 7	High for week	Low for week	Close Oct. 13	Close year ago
		Wheat					
.77⅞	.72⅛	Oct.	.76¾	.76¾	.73½	.74⅛	.70¼
.79	.73⅜	Dec.	.78¼	.78¼	.74½	.75	.71⅝
.82¾	.77⅜	May	.81⅞	.81⅞	.78½	.78¾	.75⅞
		Oats					
.50⅞	.37¾	Oct.	.48	.48½	.46⅞	.48⅜	.31¾
.48½	.35⅛	Dec.	.46½	.46½	.44⅞	.46¼	.29⅛
.47⅞	.38⅛	May	.45¼	.45¼	.43¾	.45⅛	.29⅜
		Barley					
.62¾	.47⅞	Oct.	.59⅞	.59⅞	.56¾	.56¾	.38¼
.61⅜	.46¼	Dec.	.58¾	.58¾	.55⅜	.56	.38
.61¼	.49⅜	May	.58⅝	.58⅝	.55¾	.56½	.38⅛
		Flax					
1.64	1.40¼	Oct.	1.55½	1.57½	1.52	1.52	1.17
1.63	1.40½	Dec.	1.52¾	1.53	1.48½	1.43½	1.16½
1.64½	1.42½	May	1.51¼	1.52	1.42½	1.42½	1.19
		Rye					
.65⅞	.53⅜	Oct.	.62⅜	.62⅜	.57¼	.57¼	.42⅜
.66	.53⅜	Dec.	.61	.61½	.57⅜	.57¾	.44⅛
.67⅝	.51¾	May	.63⅝	.63⅜	.59⅝	.59¾	.47⅛

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CALGARY
E. J. Semmens
Industrial Agent
TORONTO
R. H. Brunk
Industrial Agent
VANCOUVER
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DEPARTMENT OF INDUSTRIAL DEVELOPMENT
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Week in Mining

Equipment Shortage is New Gold Mine Problem

Old Mining Projects Combed Over to Fill Needs of Mining Projects Getting Under Way — Repair Equipment More Readily Available

Mines in Canada's northland are on a new kind of hunt these days. It is a hunt for equipment made scarce by the war. With deliveries of new gold mining equipment running as far as 18 months behind order dates, new gold mining projects are often being hard pressed to get the things they need.

The situation, however, could be much more serious than is the case. Old mining projects are being combed to secure used equipment and a surprising amount of useful material is being found. One gold mine, that reached production recently, reports that most of its equipment came from 12 different mines of eastern Ontario. Since purchases were made, used mining equipment has been advancing even further in price. Fortunately for new mining operations, there still seems to be a steady flow of used mining and milling equipment coming on the market. Established mines are luckily not suffering from a shortage of repair material but equipment for new projects is definitely tight.

Connell Promoted

One of Canada's "dollar a year" men received a promotion this week. He is F. M. Connell, formerly Assistant Metals Controller, now Deputy Metals Controller.

He has been nine months with the Department of Munitions and Supply. Educated at Spencerville and Prescott, Mr. Connell has been closely connected with the mining industry since he graduated from Queen's University in 1906.

Some of the chief enterprises in which Mr. Connell has lent a guiding hand are Central Patricia Gold Mines, of which he is president, and Mount Zeballos and Willow Creek Mines, the latter two being west coast producers. Mr. Connell has assisted in financing through McVittie Graham Mines.

Mr. Connell is not only unsalaried but he receives no expense account whatever.

* * *

Why Mines Withdrew

Action of the Kirkland Lake mines in withdrawing from the conciliation board hearings was taken on the ground that the C. I. O. was not a responsible organization with which the mines could deal. Here is the official statement given out by J. K. Lash, K.C., counsel for the mines:

"The action of the mine operators in resting their case before the board was taken as much in the interests of their employees as of the mines. There has been a rapid decline in morale during the past month, and in mining the lives of the workers depend upon efficiency underground. Furthermore, it was felt that further submission of testimony would have only developed local animosities to the point where this dangerous condition might precipitate a serious disaster. In seeking the quick conclusion of the board's sittings, it was hoped that this condition could be avoided, in addition to stressing the determination of the mine operators to not deal with the C. I. O., while reiterating their adherence to the principles of collective bargaining as applied to their respective employees, thus satisfying all peacetime laws and wartime regulations."

* * *

Stadacona in Courts

An active move continues afoot to have a reorganization of Stadacona Rouyn Mines implemented. The latest move, a petition to the Supreme Court in Montreal by the shareholders' committee and noteholders' committee to provide a plan of reorganization, was shelved until after hearing of postponed court proceedings, scheduled for Nov. 12 as to validity of heavily overissued notes.

Basis of the proposed reorganization is payment of all creditors in full, a 60% interest in a new company for shareholders and approximately 40% to noteholders. The proposed plan would provide one new share for each two old and two-thirds of a new share for each $1 face value of notes, it is stated.

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Jason In Ore On 4 Levels

Work Finds Ore on Four Levels at Each of Two Shafts

Drifting and other development work at Jason Mines recently has revealed considerable new ore, President E. M. Thomson informs The Financial Post.

At the No. 2 shaft, which was put down by Argosy, drifting is continuing to expand known limits of ore. At the 221 sub-level, drifting has been carried for 100 ft. in high grade ore with the face continuing in ore. On the No. 400 level north, ore considered to be the extension of the new ore found on the 500-ft. level, has been opened up above the 400-ft. level. This gives a new stoping section in virgin ground to the north.

New Bottom Level Responds

An ore section 150 ft. long of good grade has also been disclosed above the 500-ft. level to the north.

A total of 225 ft. of ore comparable to that opened on levels above has been opened up by drifting on the new bottom level at 700 ft. depth. Operations here have been temporarily suspended as a result of favorable developments in older parts of the workings.

In the No. 1 shaft area, the new 500-ft. level is being opened up by a main crosscut which should intersect No. 1 vein within the next six weeks. Diamond drilling has indicated improved ore conditions on this and lower levels.

Stope Near Camrock

At the 200-ft. horizon to the north, a stope of medium grade ore has been opened as a result of drifting operations conducted for the benefit of Camrock. This ore body is stated to offer tangible possibilities.

Drifting south on the 400-ft. level of No. 1 shaft continues in ore of satisfactory grade, it is stated. On the 411 sub-level, above the 400-ft. horizon, work has been advanced 400 ft. in high grade ore similar to that experienced on the level immediately above.

Week in Oils

Yield Up $2.1 Millions

From Our Own Correspondent

CALGARY. — Pulling steadily ahead of previous records, Alberta's oilfield delivered a total of 842,363 bbl. of crude oil and natural gasoline for a total return of $1,301,225 during the month of August, according to the latest records compiled by the Conservation Board. Actual production during the month of August totalled 853,563 bbl.

August yield brings Alberta production for the first eight months of 1941 to 6,483,433 bbl., an increase of 1,193,934 bbl. over the yield for the comparable period of last year.

The revenue from sales for the first eight months of 1941 is $8,562,168, an increase of $2,146,877 over the return in the same period of 1940.

* * *

Price Boost Helps

The record return to producers in August shows clearly the benefit of the 27 cents per barrel increase in Turner Valley crude prices and the 34 to 36 cents increase in natural gasoline prices effected July 16.

In July, with benefit of the increased prices enjoyed only half the month, deliveries totalled 855,564 bbl., more than 13,000 bbl. in excess of the August deliveries. Gross revenue, however, was about $80,000 under the August return.

Back in August, 1940, a total of 837,549 bbl. was delivered — only 5,000 bbl. less than in August of this year. The gross revenue from sales, however, totalled only $1,052,676, a quarter million dollars less than in August, 1941.

Turner Valley accounted for more than 99% of the August production. Valley limestone oilwells produced 825,321 bbl.; naphtha wells 1,156 bbl.; shallow oilwells, 449 bbl.; and absorption plant natural gasoline recovery 20,706 bbl. Output from other Alberta fields included:

Del Bonta, 150 bbl.; Dina, 500 bbl.; Princess, 1,403 bbl.; Red Coulee, 917 bbl.; Vermilion, 2,208 bbl.; and Wainwright, 753 bbl.

* * *

Princess Producing

Standard Oil of British Columbia's Princess No. 2 well in the Princess field, which commenced retesting of the Madison limestone in August, is now producing between 120 and 140 bbl. of clean 26 gravity oil per day, together with a varying amount of water ranging from 14 to 22% of the well's total output. The well thus becomes an important addition to the Alberta producing list.

The Standard-McDougall Segur test at Princess is now core-drilling below 4,072 ft., around 100 ft. in the Devonian limestone, and near completion of tests in this horizon. The Devonian to date has shown considerable gas, a small showing of oil and no sign of water. The Anaconda-Patricia well in the same field is drilling ahead in the Madison lime below 3,470 ft., and will also be carried to the Devonian limestone.

* * *

Grease Creek Drilling

The Northwest Company's Grease Creek No. 2 well was spudded in on October 7, and is now making hole with heavy duty rotary equipment amount 500 ft. The Madison limestone objective at this foothills venture is looked for around 7,500 ft.

Drilling permit has been issued for Vermilion No. 12, to be put down in the southerly part of the Vermilion area by the Vermilion Consolidated Oils Ltd. The well, in L.S.D. 13 23-49-6w4, will seek additional natural gas supply for the town of Vermilion. The well will be drilled with light rotary equipment.

Princeville Pete No. 2, north extension drill test in the Vermilion area, is now coring below 1,560 ft., with completion expected in the lower cretaceous sand this week.

Mining Concentrates

Arntfield Gold Mines is stated to have revealed what appears to be a parallel zone north of the two zones now being explored on the lower levels. It was revealed in a flat diamond drill hole on the bottom or 1,075-ft. level at No. 2 shaft. The hole, drilled north from the station, intersected 23 ft. of material assaying $5.12 per ton. The drill hole also touched the end of the 2,602 zone which was the objective of the hole and would seem to indicate that this zone has a more easterly dip. Emphasis on development has restricted milling. A total of 40 to 50 tons of ore is now being drawn daily from a length of 117 ft. opened up on the 2,602 zone opened at the 775-ft. level in addition to ore coming from No. 3 shaft. An increase in the ore supply from the new section will be experienced when more stopes are opened.

* * *

Francoeur Gold Mines had a lower production last month.

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
September	6,449	215	$5.40	$34,858
August	5,921	191	7.31	43,302

* * *

Golden Arrow Mines has let a contract for diamond drilling on its property near Ramore, Ont. Previous drilling gave one good ore intersection and it is planned to try and pick up an extension on this showing.

* * *

Gold Belt Mining Co. production was slightly lower in September:

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
September	4,976	166	$11.22	$55,805
August	5,949	192	10.84	64,468

* * *

Jacola Mines holds 222,224 shares of Uchi Gold Mines received through exchange of shares held in Hanalda and Jalda Gold Mines whose properties were merged in Uchi Gold Mines. The company also holds 500,000 shares in Legault Gold Mines received from sale of the Jacola property. No exploration was carried on at the Legault property or elsewhere during 1940. As at Dec. 31, 1940, current assets of $33,135 included $28,592 cash. Current liabilities were $100.

* * *

Kirkland Lake Gold Mining Co. showed a sharp increase in production in the September quarter:

Quarter ended:	Tons milled	Tons daily	Recov. per ton	Total recov.
Sept. 30, '41	38,073	414	$14.05	$535,000
June 30, '41	37,503	412	13.48	505,438

* * *

Nicholson Mines plans a limited programme of diamond drilling on its Vega claims in the Yellowknife area. Prospecting has uncovered a strong vein, it is stated. The company has limited funds in its treasury which, it is felt, should be conserved so shareholders are being offered additional stock at 5 cents a share to pay for additional work. The offer expires Oct. 22.

* * *

Queenston Gold Mines may be shipping ore to the Upper Canada Mill before the end of the present year. Diamond drilling has intersected big widths of ore and ore was also developed in previous work at the 100-ft. horizon of an old shaft on the property.

* * *

Steep Rock Iron Mines states 5,000 shares have been issued to C. D. Kaeding as remuneration for special services rendered. The shares have been deposited with the voting trustee.

* * *

Sullivan Consolidated Mines established a new record for quarterly production in the September quarter:

Quarter ended:	Tons milled	Tons daily	Recov. per ton	Total recov.
Sept. 30, '41	31,216	339	$10.93	$341,327
June 30, '41	31,674	348	9.87	312,542

* * *

Sigma Mines (Quebec) showed a slight reduction in production in September:

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
September	32,741	1,091	$7.64	$250,238
August	33,819	1,091	7.66	259,148

AT NICKEL MEET

Dr. John F. Thompson, executive vice-president of International Nickel Co., pictured above, was one of 70 outstanding American metal men to "invade" Toronto for a two-day conference on nickel the latter part of last week.

The conference—an annual affair—found particular interest this year with results of peacetime nicked research now being utilized for war and defense purposes. Among the subjects which came up for attention were the postwar outlook for Canada's nickel industry and need for greater interchange of industrial ideas between U. S. and Canada.

Chairman of the convention was James F. McNamara of New York while C. E. Macdonald, International Nickel Co., Toronto, was host to the gathering.

Yama Runs In New Test Mill

Expects to Treat High Grade of Ore by Sorting Out of Waste

From Our Own Correspondent

BOSTON CREEK.—Climaxing a four-year development programme and in contrast to an early black-eye the area received with failure of other enterprises to the west, Yama Gold Mines is now in production with a 70-90 ton mill at its property in the southern part of Larder Lake, about 6½ miles east of Boston Creek station.

Original plans visualized the building of a large tonnage mill to treat a medium to low grade of ore. Difficulty of securing adequate finances in wartime and the flexible character of the company's ore, however, led to installation of the present test mill to treat a higher sorted grade of ore.

Will Aid Development

Revenue from the test mill is expected to allow development to be extended and the more thorough investigation of areas of the company's property where ore chances are considered good but which have so far not been opened up while development was being concentrated on known ore sections.

The exact grade of ore to be treated will not be determined until some milling experience has been secured and the best degree of sorting is found. The Yama mine management under Drs. Harold G. Way and J. P. Nowlan estimate that a minimum of 69,000 tons of $14.15 grade ore is available after allowing for sorting of waste material. This estimate excludes some 17,000 tons of ore on the surface dump which will be treated after sorting. On the basis of present mill capacity, there is sufficient ore in sight to keep the mill in operation for three years. The ore estimate only allows for backs of 30 ft. above each of the 125-ft. levels on fully 50% of the ore shoots and may be substantially increased as the putting up of stopes proceeds.

Filling Up Mill Circuit

Work in the mill is now being concentrated on filling the circuit and it is anticipated that not more than 10 days will be required to have operations on a regular milling basis. As is normal with a new mill installation, low-grade rock running about $4 to $5 per ton is being used to fill the mill circuit, but higher grade will be fed shortly. After sorting, it is thought that ore grade treated may run as high as $20 a ton, Dr. Way states, with operating costs of $9 a ton expected. Tests of the ore have shown an extraction of 98.5% with relatively simple grinding.

Use Several Stoping Methods

To secure the high average grade of mill feed desired with the present milling plant, two or possibly three distinct methods of stoping will be carried on underground. Straight shrinkage stoping will be carried on where there is a concentration of several mineralized bands with material carrying values between. The second method to be used is stripping. Waste rock will be blasted down and slashing will be used to take out high-grade material. Resuing will be used on narrow mineralized bands on which values may run from 1 to 5 oz. concentrated in very narrow strips of from say 2 to 5 inches. In the third type of stoping, sorting of high grade will actually be carried out in the stope itself.

Sorting in the Mill

Sorting in the mill will be done first at the upper grizzly where there are 8-inch openings to hold back the big pieces into which the waste tends to break. Sorting will also be done on the picking belt later on.

It is believed that the present plant could be expanded to 150 tons daily with a secondary crushing unit, an enlarged filter and probably a second thickener.

209 ft. of Ore in "E" Zone

In recent work, the "E" ore zone has been giving the best results. This zone has been opened up out to the west on the 375-ft. level beyond a diorite dike and past any previous underground work or drilling showing a length of 209 ft. averaging 0.29 oz. gold across 6½ ft. or $11.15 a ton at $38.50 gold. Before this length there was 107 ft. running 0.25 oz. over 4.3 ft. On the 500-ft. level below, work is now in the diorite dike and the west section of the "E" on the level still remains to be opened up. So far 106 ft. has averaged 0.336 oz. over 1.8 ft.

Vermilion, Wainwright Fields May Give Locomotive Fuel

A possible saving of almost $1.5 million a year of foreign exchange by opening up domestic sources of fuel oil in known fields in western Canada is seen by George B. Webster, Canada's assistant oil controller.

This amount of money is at present spent every year by railroads to furnish fuel for oil burning locomotives in the mountain division. Together the C. P. R. and C. N. R. are willing to purchase 1,250,000 bbls. of crude fuel oil at $1.15 a barrel on railway siding. This amount of oil is used annually by 100 oil-burning locomotives of the C.P.R. and 85 used by the C. N. R.

Two Factors Important

Fields which the assistant Oil Controller visualizes as being able to supply the demand for fuel oil—which is an entirely different produce from that produced in Turner Valley—are Vermilion - Battleview, Lloydminster, Dina, Wainwright and several other areas chiefly in the plains district near the Alberta-Saskatchewan boundary.

There are two chief factors that brighten the prospect of supplying the oil required by the locomotives on a commercial basis. The first is the low drilling costs for wells in these shallow fields. In the Vermilion field, Mr. Webster says it is possible to drill wells yielding 40 to 80 bbls. daily at a cost of around $12,000 compared with about $175,000 for a Turner Valley well. In the second place processing of the fuel oil is simple.

Sand and water in the oil have been a drawback with oil from these new fields in the past but two conditioning plants are being completed to remove the oil and water at a cost which may not exceed five cents a barrel, Mr. Webster states. Vermilion Oil Consolidated expects to have a plant capable of treating 1,000 bbls. of oil daily ready in about two to three weeks time while Western Drilling Co., associated with the E. L. Cord interests in the United States, is also working on a treatment plant which is expected to go into operation very shortly.

Says Germany Needs Oil Now

From Our Own Correspondent

VANCOUVER.—Discussing Germany's oil supplies during the recent mining convention here Max W. Ball, of Edmonton, recognized authority on petroleum, described a recent appraisal of the situation in The Financial Post as "careful and intelligent" and an admirable balance sheet of the Nazis' resources.

But he disagreed with the conclusion that at the end of 1941 Germany would probably have about 19 million barrels surplus.

He thought a closer figure would be 12 millions. In reaching this estimate he said that he was taking into account civilian consumption during the past 18 months which, although severely curtailed, could not have been choked off entirely. He also considered that Germany's consumption between now and the end of the year would be greater than the Financial Post's figure.

"If Germany maintains anything like her present military effort she must conquer Russia before spring and find the oil fields intact," said Mr. Ball. "I seriously doubt whether she can do it."

Duquesne Mining Co. underground results are stated to have so far been better than diamond drilling results in the same sector. Crosscutting has intersected the "B" ore zone on the 500-ft. level with a width of 50 ft. so far. While average assays for this distance are not available, the first face went $6.54 across 6 ft. and the second face showed $8.40 over 4 ft. and $4.50 over 2 ft. Subsequent faces ran as high as $8.47 with the last face running $5. The face was still in ore values. On the 375-ft. level a width of 20 ft. has so far been exposed with values somewhat lower.

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The Financial Post offers contestants cash prizes for articles dealing with specific insurance problems. They will be judged for the soundness of the programme for the individual. Consideration will also be given to their general interest and value to all persons falling within the broad general group discussed.

WHO may compete?

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HOW to enter?

Choose one of the 4 problems below and submit a life insurance programme for that individual.

$100 IN CASH

for the best article on any one of four problems

$50 EACH for the best articles on the other three problems

AN ADDED INDUCEMENT

It is The Post's intention to run a number of articles entered in this contest, as a service to both life underwriters and to the insurance-buying public. In addition to the prize-winning articles, others will be used, for which regular space rates will be paid.

ANSWER ANY ONE OF THESE FOUR PROBLEMS

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2 Junior executive, total income $3,000 to $5,000 a year, 30 to 35 years of age. Has saved and invested $2,000 to $5,000. Married, has two children both under 10. No inheritance prospects.

3 A man who owns his own business, or is senior executive in a business in which he has a substantial stock interest. Total income between $10,000 and $25,000. Age 40 to 50. Investment in his own business $50,000 to $100,000. Has other investments of $10,000 to $25,000. Married; has two children, both in their teens.

4 A single business woman, age around 30, now making $100 a month, with prospects of some increases. Has $700-$1,000 saved. Helps maintain widowed mother. Dependent on her own efforts. Her main object is to build up resources on which she can retire.

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RULES OF CONTEST

1. Prizes will be awarded as follows: $100 for the best article, on any one of the four problems; $50 each for the best articles on the other three problems. In addition The Financial Post proposes to publish a number of the articles that do not win prizes. These will be paid for at regular space rates or approximately $25 a piece. The number published will depend on the quality of the entries.

2. Answers must be in the form of articles of not more than 2,000 words suitable for publication in The Financial Post.

3. Answers will be judged not only on the soundness of the programme outlined and the presentation of the arguments in favor of it but for the general interest of the material presented.

4. The manuscript must be typewritten on one side of the paper only, double space.

5. Contestant's name and address and particulars as to business connections, degrees, etc., must be typed on a separate sheet attached to the manuscript.

6. The contest is open to anyone who is not an employee of The Financial Post or The MacLean Publishing Co. Ltd., whether a subscriber to The Financial Post or not.

7. Any contestant who wishes may submit more than one manuscript provided each paper deals with a different one of the groupings.

8. Manuscripts must be submitted to the Insurance Contest Editor of The Financial Post, 481 University Avenue, Toronto, Ontario, on or before November 22, 1941.

9. Any manuscript submitted will become the property of The Financial Post and may be published by it. No manuscript will be returned. Those published will appear under the name of the author.

10. Judges of the contest will be the editors of The Financial Post assisted by such outside authorities as they may wish to consult.

11. In case of a dispute or misunderstanding the decision of the editor of The Financial Post will be final.

12. The Financial Post assumes no responsibility for the suggestions made.

13. Contestants must not mention the name of any company or any special policies sold by only a limited number of companies but should confine their suggestions to the standard types of policies sold by most companies.

Outlook Bright as Malartic Broadens Out

Tremendous Tonnages of Drill-indicated Ore Suggest Big Profit Potential

By GORDON M. GRANT
Staff Writer, The Financial Post

Malartic — Quebec's gold mining camp that has made history the last few years — is well on the way to eclipsing even its own impressive record.

Drill-indicated ore in large tonnages at Malartic is a key factor for higher production and profits tomorrow unless the war somehow intervenes to slow the exploitation of these rich new resources.

Fine growth seems the ultimate destiny of this, Quebec's greatest gold mining area.

The greatest measure of ore success was not achieved right at the outset at any of the producing mines in Malartic, peculiarly enough. It was only as work spread out that the area's true possibilities have become apparent at individual properties.

"Spreading Out" at Work

At Canadian Malartic Gold Mines, the area's first producer, ore expansion was found by extending exploration east from the original mine workings. At Sladen-Malartic, the area's next producer, the same broadening tendency has been in evidence. It has been ore at the second or east shaft — and in between shafts — that has given the company a real chance to work out its problems.

The East Malartic Milestone

True greatness of the Malartic camp was first realized with the discovery of the famous "boundary" deposit of East Malartic Mines. This, too, was a case of the "broadening out" tendency at work. East Malartic initially completed two shafts in the northern part of its property and a tonnage of lower grade ore was revealed in each. Just when the management was beginning to think of a mill, however, drilling on the south contact indicated what up to then was by far the largest ore body ever located in Malartic. It brought with it a sudden realization of the importance of the contact of the greenstone band running through the Malartic area. Canadian Malartic had its ore luck outside of the band but most of the ore bodies since have been found associated with the greenstones.

Gold Fields More Surprising

The story of Malartic Gold Fields broadening out process is perhaps even more striking than that of East Malartic. After indicating about 1.5 million tons of $6 ore on the south contact zone in a narrow formation that did not suggest very profitable mining, drills were successful in outlining a number of better veins to the north—inside the greenstone band. This brought the first real evidence of ore possibilities inside the greenstones in addition to the possibilities on the contact zone as shown by East Malartic. Shaft sinking and underground work more than confirmed the drilling intersections inside the greenstone band.

New Gold Fields Drilling

But the real excitement at Malartic Gold Fields came in 1941 after the company had established profitable operation, liquidated indebtedness on the mill and had paid its first dividend. Drilling to the west of the main workings in the direction of Rand and East Malartic revealed what may be possibly the largest single deposit in the Malartic area. Instead of being just one ore body, it is more a river of ore bodies closely spaced. Only further drilling and underground work will tell how extensive this ore may be. The ore was found in diorite intrusives, turning the attention of Malartic exploration in still a new direction.

The broadening out process of mines in the Malartic area—as evidenced by each of the producers—has given real evidence of rich ore-making Malartic structures. National Malartic to the northwest has shown along with Malartic Gold Fields that inside the greenstone belt good deposits may be found; and has also shown the great width over which ore bodies may be located.

Just as unmistakable as the signs of a great ore-bearing district in Malartic, however, are the signs that production and profits are going to be greater, barring any new contingencies.

Malartic Gold Fields

Interest in Malartic Gold Fields at present centres on how the management can "cash in" on new ore disclosures. To start out with, it seems that earnings from present operations are adequate to allow development of the west ore deposit by a new shaft required to service this end of the property. The company has the hoist for the new shaft.

Before the new shaft gets down, however, it is expected that the crosscut now being driven out at the 1,200-ft. horizon will tap the new ore zones. This crosscut will give information of the first importance. If work from it establishes the downward continuation of ore bodies in the west sector unchanged, the ore estimate of 6,000 tons per vertical foot — indicated from diamond drilling — will be started on the way to becoming an estimate of 7,200,000 tons of $10 to $11 grade ore to the 1,200-ft. level. The 1,200-ft. level crosscut may allow, too, mining of much better than average grade ore if desired.

Preparation of new ore for milling is going to take time; that is obvious. The crosscut from the 1,200-ft. level of the workings will take about six months to reach its objective and shaft sinking can only proceed at from 5 to 10 ft. a day. But when development of the west zone does commence, it should proceed with rapidity. There will be two service entrances, one from the main workings and one from the shaft.

Open Cut Possibilities

A third possibility of speeding development exists. A surface open cut similar to that at East Malartic Mines might be started at the Malartic Gold Fields property in the neighborhood of where the drill hole indicated a value of $10 across a core width of 98 ft. This would allow rapid and cheap mining, it is believed.

The present Malartic Gold Fields mill can be doubled at not very great expense, fortunately. Securing the needed equipment is likely to prove more of a problem than paying for it due to the present slow deliveries of equipment. If ore bodies stand up under development, however, a much larger mill capacity than the present 600 tons a day would be warranted. Preparing the ore for mining at the full rate seemingly warranted — several thousand tons a day — would be a major problem, however. If deliveries of equipment are slow, other possibilities are open for increasing ore treatment. For instance, the company might offer Sladen-Malartic Mines a profit equal to that on Sladen ore to treat custom ore in its mill. Even allowing for the expense involved, including the milling charge and incidental trucking cost, treatment in the Sladen mill would be really profitable business. Such a deal, if considered, could prove advantageous to both parties.

Ore present tends to determine the eventual size of a mining operation. A great tonnage of ore is indicated at Malartic Gold Fields and prospects for a large mining operation eventually are bright. A 50% profit appears reasonable treating at $10 or $11 grade of ore, and it appears that issued capital can be held at 4 million shares unless mill expansion of great proportions is undertaken.

East Malartic Mines

East Malartic Mines is another Malartic prospect for higher earnings. Sluffing of wall rock and other development difficulties brought East Malartic production down around $225,000 monthly earlier this year but expectations several months ago were that production would be increased to perhaps $300,000 by the end of the year. Only quarterly production figures are now being issued and details on the recent trend of production are not available. It has probably been upward, however, and earnings in the last half of 1941 may be 50% or more higher than the 10 cents a share net profit realized the first half of this year.

The long term prospects of East Malartic appear to have been improved in spite of development difficulties which have brought an increase of $1 a ton in costs through use of a cleaner and more satisfactory method of mining. Only limited data are available on the block of five new deep levels being opened up from 1,120 to 1,720 ft. depth, but what information is available seems to indicate that the main ore body extends to depth with dimensions and values little changed. Work in 1941 may bring a major increase in ore reserves over those reported at the end of 1940.

Well-known Figures at B. C. Convention

The gathering of the British Columbia section of the Canadian Institute of Mining and Metallurgy brought together many Canadian mining men not only from the west coast province but from right across Canada.

Pictured here are three who play an important role. From left to right they are: G. C. Monture, representing G. C. Bateman, Canada's Metals Controller; J. E. Carlyle, national secretary of the Canadian Institute of Mining and Metallurgy; and Professor W. G. McBride of McGill, president of the C.I.M.M. Dominion organization.

Besides the favorable East Malartic depth development, work along the strike to the east has indicated another great new ore section that does much to establish a continuity of ore bodies along the greenstone south contact or close to it.

Canadian Malartic Gold Mines

This month is scheduled to mark an increase in the milling rate from 750 to 1,000 tons at Canadian Malartic Gold Mines. Even at the higher milling rate, it is estimated that four years' ore will be ahead of the mill. Development of the horseshoe "708" ore body in 1940 resulted in a substantial addition to ore reserves and fully justified the programme of mill expansion. As with other operations, higher taxation will prevent the entire increase in operating profits from being carried through to net profits. Higher operating costs, too—as represented by such items as the cost of living bonus—tend to increase operating costs, reducing the margin of profit unless offset by other efficiencies or perhaps a higher grade of ore in some cases.

At Canadian Malartic, the tendency is to treat a rather larger tonnage of somewhat lower grade ore, securing what economies are possible for a larger scale of operation. Earnings in 1940 were 5 cents a share but the company was able to increase working capital $70,000 to $540,888 while paying out 8 cents a share in dividends from operating profits.

National Malartic Gold Mines

Inside six months, real ore news is expected from National Malartic Gold Mines. Crosscutting from the new shaft to the untested north ore zone is to get under way before the end of this month. First work will be undertaken on the 518 and 700-ft. levels.

Besides its present shaft work, National Malartic is putting out a drive from the 725-ft. level of the adjoining Sladen mine with about 100 to 200 ft. to go to reach the south ore zone where a considerable tonnage of medium grade ore was exposed, working from Sladen's 350-ft. level.

The north zone, which National now proposes to explore in its Noranda and Hollinger-financed programme, is in some ways more interesting than the south ore deposit. Diamond drilling returned values along a length of 800 ft. within the greenstone band with one drill hole returning a value of $11.50 across 53.8 ft. including sections of $22.14 across 24.7 ft. and $3.68 across 15.5 ft. Values in other holes were lower but the chances for better than average grade ore in the north zone remain bright. It is admitted that drilling results were difficult to correlate for this section, but it is expected underground work will provide the answer.

Some time may elapse before the National Malartic's indicated ore can secure treatment, but with Noranda and Hollinger backing the effort, money for a mill should be arranged with little difficulty if ore results satisfy.

Sladen-Malartic Gold Mines

All the properties in an area cannot be equally successful and Sladen-Malartic Gold Mines has not been so successful as its neighbors. A higher grade ore body—the "telluride" ore shoot— opened up at the Sladen 725-ft. level has been proved to extend below the 950-ft. level by two drill holes. Better grade ore from this section, together with the very low level of operating costs established, is aiding the company to build up its working capital position by better operating profits.

Sladen has a large extension of the Malartic greenstone belt on its property and possibilities of developing further ore bodies cannot be dismissed.

Development in Malartic has taken an upward fillip since the drilling success of Malartic Gold Fields. Interest is being taken in the eastern extension past Malartic Gold Fields where Seventh Malartic is drilling with Anaconda financing. Malartic Gold Fields itself is reported to have acquired a large new property up to the northeast of its present property. New Malartic and Mascot Malartic have been active. Much of further exploration will no doubt be outside the greenstone band where the largest ore bodies have been found but there is Canadian Malartic experience to show that ore bodies can be developed outside the band itself while the latest Malartic Gold Fields showings have been in separate diorite intrusives.

Aluminium Ltd.'s Creation Upheld by U. S. Courts

From Our Own Correspondent

MONTREAL.—Creation of Aluminium Ltd. in 1928 by the Aluminum Company of America as a holding company which since has conducted Alcoa's foreign business, was not a conspiracy in violation of the Sherman Anti-trust Act, according to ruling handed down by Judge Francis G. Caffey.

Judge Caffey in his discussion on Aluminium Ltd., pointed out it was set up in June, 1928, when Alcoa transferred the control of 21 foreign companies to Aluminium. The court noted and defended Alcoa's reasons for the transfer, principally that better management of both domestic and foreign holdings would result, that the move was something desired by the foreign company themselves, particularly those in the British Empire.

Control of Aluminium

Taking up the United States government's charge that a small group of stockholders controlled most companies, Judge Caffey noted that in 1928 three stockholders controlled 51.3% of both Alcoa and Aluminium. By 1939, he added, 11 Alcoa stockholders were needed to represent a majority figure of Aluminium stock control.

Right to Organize

To a charge that joint stock control of the two companies established conspiracy Judge Caffey said stock transfers between the two, would not necessarily indicate a violation of the Sherman Act because the corporations could remain separate.

"The answer of Alcoa to the government's complaint on that issue," Judge Caffey said, "is that it had a right to do it, (create Aluminium) and that there was no law which prohibited this and that the Sherman Act did not stand in the way, nor did any other law. The legal position of Alcoa is sustained by authorities, including the Supreme Court of the United States," Judge Caffey said, pointing out that common ownership by the same group of persons of stock of the same relative amount in two distinct companies was not by law prohibited.

Not Violating Law

Asking next whether the 11 persons who controlled Aluminium in 1939 conspired to restrict imports through activities of subsidiary company, Judge Caffey said that the courts have ruled a corporation acting in interstate commerce through subsidiaries, is not necessarily in violation of the Sherman Act. Overt acts must be shown to prove conspiracy in such cases, he added, and "the government has failed to show such overt acts and failed to establish conspiracy between the stockholders themselves."

In concluding this part of the discussion Judge Caffey referred to the defense contention that Aluminium ran itself and was not subjected to any pressure from Alcoa, despite the stock control setup. Conspiracy charges with foreign aluminum producers must still be discussed by the court, which is handing down the decision in the U. S. government's four-year old anti-trust case against Aluminum Co. of America, aimed at the dissolution of the $243 millions enterprise.

C. D. S. Trust Reports On Equity Values

Consolidated Diversified Standard Securities, Ltd., advises that as at Sept. 30, 1941, net asset value per share of the company's preferred stock amounted to $19.53 as against $19.41 per share a year ago.

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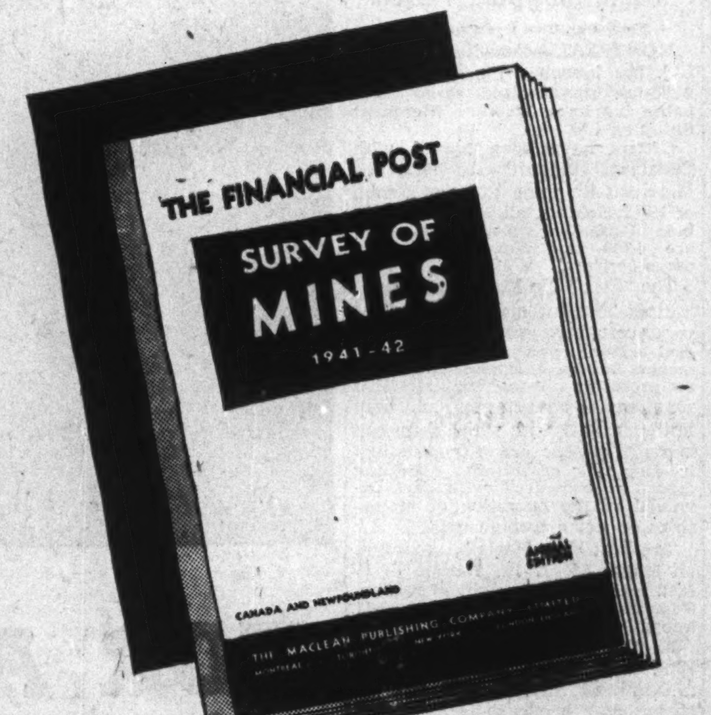

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War and the $5,000 a Year Man

The Problem Changes With Domestic Setup

A fortnight ago, The Financial Post analyzed the case of a man with wife, two children and $5,000 annual income and found that to maintain his pre-war "standard of living" or "standard of spending," an income of $6,600 is now needed in that particular case.

In a Letter to the Editor, "Bourgeois" as he calls himself outlines another phase of this problem and a different budget plan.

By "BOURGEOIS"

I was interested in reading your article on the financial worries of the $5,000 a year man and sympathize with the problems confronting your typical example, although you apparently left him certain loopholes by which he might avoid the toils of rising prices and soaring taxation.

I pictured your guinea-pig as a comparatively young man with a growing family and, consequently, conclude that his opportunities of augmenting his income had not been exhausted and his progress in business might help to keep pace with his enhanced obligations. In addition, part of his expenditures were decidedly in the luxury class and could be trimmed without serious effect.

Past Expansion Years

There is, however, a large section of the $5,000 class who have passed the years of expansion. They have raised families and started them in life. The homes which were considered necessary for their adolescent children are now an incubus and cannot be got rid of except at a ruinous loss. Mortgages are still a burden, for money which might have been devoted to their reduction was required for education. There has been little chance for saving and perhaps little inclination, for the present situation was not anticipated and we were only young once.

Such people are between the upper and nether millstones, for their greatest obligations consist of fixed charges which allow of no curtailment, and economies are perforce at the expense of creature comforts and future security, both of which bear more heavily on ageing people than on the younger generation.

To illustrate the dilemma of the class to which I refer, here is my budget for 1941, based on nine months actual experience and the demands (one hesitates to say "expectancy") of the balance of the year.

Household expenses (including wife's allowance and running car)	$1,320
Mortgage	540
City Taxes	305
Income Tax (Dom. & Ont.)	708
Defense Tax	179
Water rates	20
Telephone	45
Electricity	50
Gas	25
Heating	180
House repairs	50
Insurance & annuity	625
War Savings Certificates	175
Victory Bond (by instalment)	100
Charities	150
Car insurance & O.M.L.	45
Clothing (husband)	120
Lunches (downtown)	115
Carfare	30
Society & Lodge dues	32
Tobacco, recreation and entertainment	175
	$4,989

To the slim balance I fortunately can add the following amounts:—

Cost of living bonus	$ 104
Dividends, interest, etc.	270
Literary work	60
	$ 434

This will allow of about $450 during the year for doctor's bills, Christmas and anniversary gifts, holidays, emergencies and riotious living.

If costs and taxation continue to rise, we can only thank heaven for our immunity from death and destruction and seek for new avenues of self-denial out of the 40% of our income which is not earmarked.

No Increase for Doctor

Editor, The Financial Post:

How typical of humanity at large is your staff writer who analyzed the increased cost of living. Each department of spending gets an increase including the maid, only excepting the medical and dental doctors and the nurse. Will he please tell us how they are going to meet their higher costs? True their fees have not been increased—and by the same token they are the most indispensable part of the country's life—yet as always they are to be found between the upper and the nether millstones. Your writer did not err.

Alberta. DENTIST.

Quebec Warns Oil Royalty Distributors

Says Sales Are Being Made at Exorbitant Profit

From Our Own Correspondent

MONTREAL.—Adolphe Routhier, K.C., Registrar of the Quebec Securities Act, has forwarded to all registered brokers and salesmen a memorandum with regard to the sale of royalties and other interests in Canadian oil fields, pointing out "some brokers and individuals have traded in these securities on a basis yielding to them unjustifiable and exaggerated profits."

No specific charges are made by the Registrar; but he says the question of the price at which oil royalties and other interests in oil wells—producing and not producing—may be offered to the public is receiving careful attention and study.

In his memorandum Mr. Routhier draws attention to the immense impetus to the development of the Turner Valley as a major oil field, owing to the extraordinary demand for essential war needs. The governments of the western provinces have co-operated to facilitate in stabilizing this development. At the same time the administrators of the securities acts of the western provinces, acting in conjunction with oil controller, has devised certain elementary rules regarding the sale of oil royalties and interests.

Acting For Public

Oil royalties and interests, Mr. Routhier continues, are now being sold in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

Of late there has been a substantial volume of trading in oil royalties in Quebec without, says Mr. Routhier, "sufficient regard for the provisions of our Securities Act and for the interests of the public generally." He adds: "Everyone will agree that there can be no justification for local selling price much above the maximum allowed in selling price of similar royalties and interests in the western provinces of this Dominion."

The purpose of Mr. Routhier's memorandum is to draw attention to the situation and to ask the co-operation of the brokers and salesmen to the end that trading in oil royalties and interests will be put on a stabilized, sound basis and in conformity with the public interest.

Vickers Launch First CargoShip

S.S. Fort Ville Marie Is First of Wartime Merchant Shipping Vessels

From Our Own Correspondent

MONTREAL.—Canadian Vickers Ltd. has launched the first of the 9,300-ton standardized cargo ships being built for Wartime Merchant Shipping Ltd.

Orders have been placed with Canadian shipyards by Wartime Merchant Shipping Ltd. for a total of 150 freighters, all but 10 of them being 10,000-tonners. The remainder are 4,700-ton "Wm. Gray" type cargo-carriers.

The "Fort Ville Marie" is a standardized "North Sands" type general cargo-carrying vessel. They are coal-burning, powered with Scotch marine boilers, and triple expansion reciprocating steam engines. This simplicity is advantageous not only in the rapidity with which ships can be built, but because of the relatively easy task of training operating crews as compared with that involved in the operation of motorships or steam turbine vessels.

The Fort Ville Marie has an overall length of 427 ft., a beam of 57 ft. 2 inches, and draught of 25 feet, 6 inches, and a speed of about 10-11 knots.

At the launching of the vessel, Hon. C. D. Howe, Minister of Munitions and Supply, said that 44 construction berths in 14 individual shipyards located at Pictou, Saint John, Quebec City, Lauson, Sorel, Montreal, Vancouver, Victoria and Prince Rupert are now engaged in building these vessels.

T. S. E. Loans Gain Slightly

Borrowings of the Toronto Stock Exchange members as at Sept. 30, 1941, totalled $8.9 millions, an increase of $34,304 from August, and $490,840 below July, 1941. The total borrowings for September this year is about $400,000 above the same month a year ago, but is about $6.3 millions below Sept., 1939.

Quoted market value of all the stocks listed on the Toronto Exchange at Sept. 30, totalled $3,843.1 millions, a gain of $118.9 millions over a month ago.

Volume of shares traded in September totalled 7,640,759 shares. This compares with 4.9 million shares in August this year, and 3.5 million shares in September a year ago. To the end of September, the Toronto Exchange has reported 40,723,727 shares traded as compared with 53,760,968 a year ago.

Value of transactions in September this year was just under $13 millions. This compares with $5.9 millions in August this year, and $6.5 millions in Sept., 1940. For the first nine months of 1941 the value of shares traded on the Toronto Exchange has been $61.1 millions, compared with $104 millions in the same portion of 1940.

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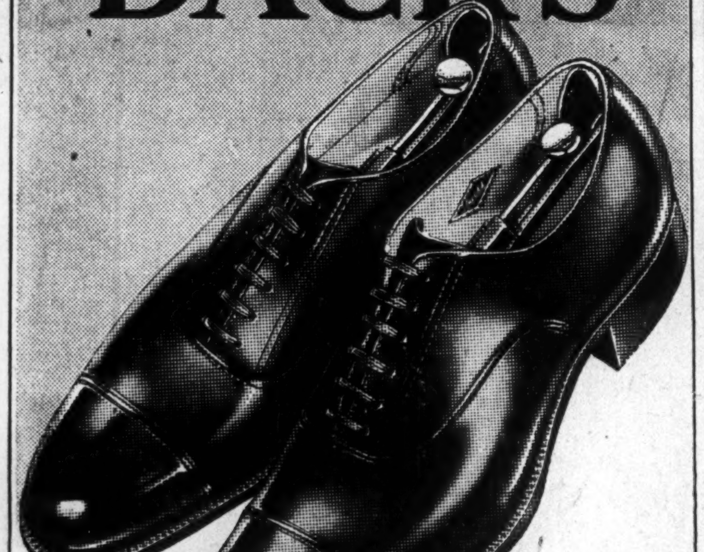

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IT'S a work-world of busy people, this. Even our idle minutes must be made to do their bit. Small wonder then that much of our recreation lies in little things we do every day to break the tension and routine. One of them is a pause now and then—Nature's way of alternating the current of human energy.

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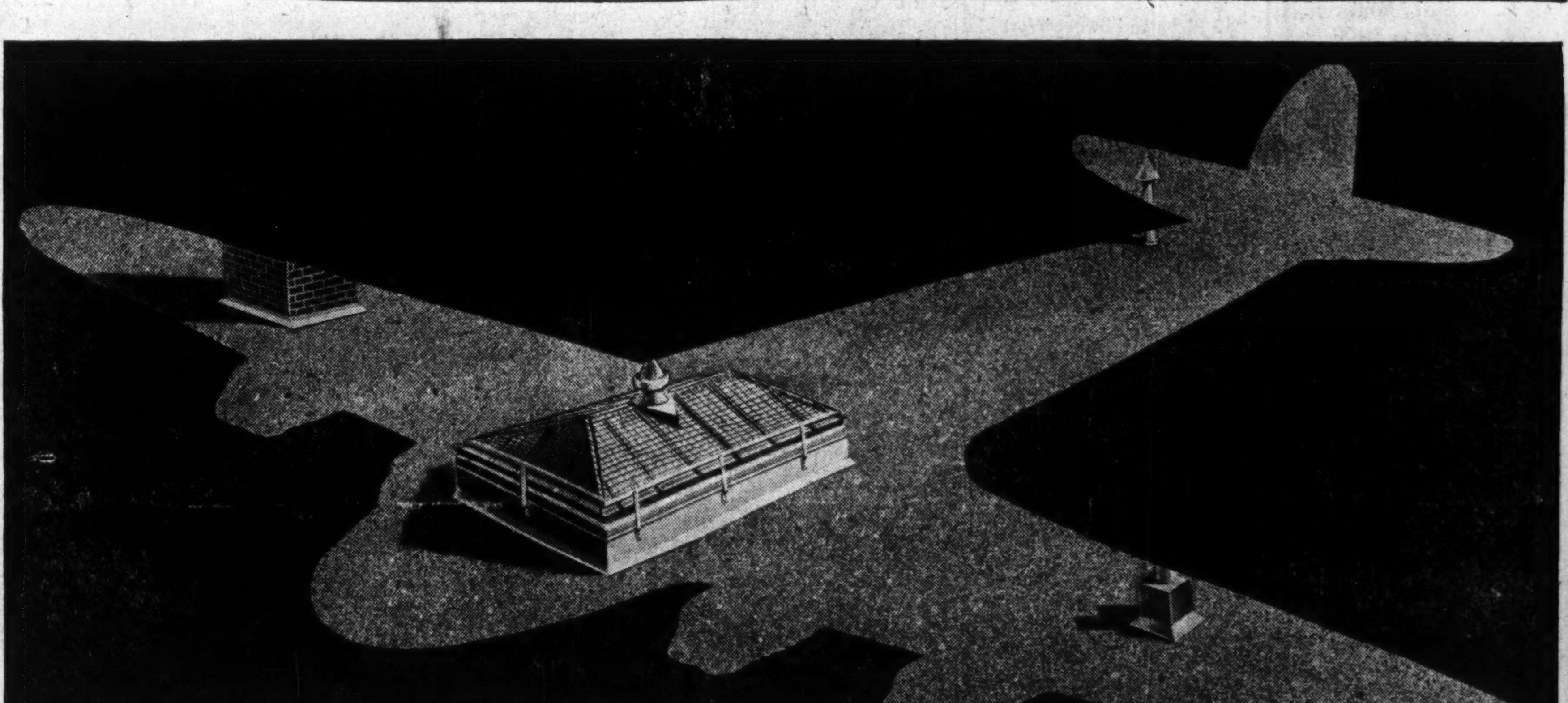

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